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# Agricultural Co-operation in the British Empire



# AGRICULTURAL CO-OPERATION

In its Application to the Industry,  
the Business, and the Life of the  
• Farmer in the British Empire. /

WITH AN INTRODUCTION BY  
• SIR HORACE PLUNKETT  
K.C.V.O., F.R.S., Etc.

*PART I.*—PRELIMINARY SURVEY.

*PART II.*—REPORT OF CONFERENCE  
held at Wembley, July 28-31, 1924.

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IN THE BRITISH EMPIRE.



# Agricultural Co-operation in the British Empire

INTRODUCTION

BY

The Right Hon. Sir HORACE PLUNKETT



# INTRODUCTION

BY

SIR HORACE PLUNKETT

A British Minister of Agriculture in a recent Administration, writing to *The Times* upon the cause and cure of the farmers' ills, dismissed co-operation as a "side-show." A Conference held at Wembley in the last four days of July, thoroughly representative of agriculture in the British Empire, declared that the co-operative organisation of the farmers' business was essential to agricultural progress and prosperity. It urged that the existing co-operative organisations should increase their business and that steps should be taken to extend the knowledge of co-operative principles and methods. It further requested the institution which had convened it to provide for the continuance of its work by establishing an office in London where the experiences and opinions of the workers in the several co-operative organisations in the Empire could be gathered in and given out for the benefit of them all. This would seem to adumbrate the gradual building up of an agricultural co-operative movement alongside, but independent of, the industrial movement.

The proceedings of this remarkable Conference are now published in the hope that action will be taken upon its recommendations. I listened to the discussions throughout the eight sessions and have since read the verbatim report. The carefully selected and well informed delegates were fully aware of the agricultural situation with which the Conference was convened to deal. They were also so familiar with the fundamental principles of agricultural political economy, and with the social conditions of rural life, that their deliberations were almost wholly restricted to definite practical issues in which the communities they represented were interested. But the large number of agricultural workers and thinkers who will have to be convinced before the recommendations of the Conference can bear fruit, will have to be fully informed upon these essential matters. In the following Introduction I endeavour to place them in a position to read the more

weighty contents of this volume with pleasure to themselves and with profit to the rural communities the Conference strove to serve.

The conveners of the Conference were a body of Trustees whose relation to myself, much as I dislike such personal details, must be told. I have made agricultural co-operation my life work ; for thirty-five years I have striven to push that monolith up the slippery slopes of Irish and some other mountains. Having reached three score and ten years, I do not wish to see the stone rolling back. I have, therefore, thought it wise to delegate my task to younger and stronger men. I have endowed a Trust, which the Trustees insisted upon calling The Horace Plunkett Foundation. Three of them are British and four Irish. Some have specialised in agricultural subjects ; all have done practical work on the problem under review.\*

Before the Conference assembled my Trustees got me to send a written Message to the delegates. On the principle, I suppose, that one good turn deserves another, they now ask me to write this Introduction for the benefit of that much larger body of agriculturalists who were not at the Conference but who, it is hoped, will read its Report and act upon its recommendations. In doing so I am on surer ground, since the opinions I expressed in the Message received authoritative and encouraging support at the Conference. It is only fair to add that the real burden of the preliminary work was borne by two others whom I was very glad to help. Mr. Hart-Synnot, then Honorary Secretary of the Foundation, and Mr. Karl Walter, who collaborated with him, and whose special knowledge of the subject induced the Trustees to appoint him their Secretary, had worked for several months with great zeal and devotion

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\* The Trustees are : Sir Daniel Hall, K.C.B., F.R.S., Chairman.

C. S. Orwin, Director of the Institute for Research in Agricultural Economics at Oxford.

Professor W. G. S. Adams, Gladstone Professor of Political Theory and Institutions, member of the Agricultural Tribunal of Investigation, and Chairman of the National Council of Social Service.

Dermot O'Brien, President of the Royal Hibernian Academy, Chairman of the Irish Agricultural Wholesale Society.

Lionel Smith-Gordon, Chairman of the National Land Bank, Dublin.

Senator Harold Barbour, M.A., President of the Ulster Agricultural Organisation Society.

Gerald Heard, my Private Secretary.

to make the costly undertaking a success. They had so to present the project to the Governments and chief farmers' organisations of the Empire that the agricultural interest in this vast area would be adequately represented. Further, through persistent enquiry, conducted by correspondence and where possible by personal negotiation, the many and diverse aspects of the subject the delegates would wish to discuss had to be ascertained, and a programme satisfactory to them all prepared.

#### THE PURPOSE OF THE CONFERENCE

When all this was done the success of the Conference—and it *was* a notable success—was by no means assured. Some very thick ice had to be broken. Agricultural co-operation had hitherto been regarded merely as a business proposition. So regarded and so practised, it is not easy to demonstrate any immediate—or even early—money gain to farmers. As for their natural leaders, the large farmers, who are often capitalists on a considerable scale, they could take very good care of themselves. They did not want to pry into the business of others and were not going to let others meddle with theirs. They were, however, always demanding help from the Government. If they had no belief in business combination, they had in political. Parliament, by its fooling with Free Trade, had ruined agriculture: let Government apply the obvious remedy.

While I write, all the parties are dangling before the electors agricultural policies they did not put into practice while they were in power. So it has ever been and, while England is what she is, so it will be. To change this traditional attitude of the British farmer would be no easy task; but the Trustees, looking at the problem historically, under existing conditions and in its probable developments, were satisfied that a full examination of agricultural co-operation in its political, economic and social aspects, would indicate a clear course for the Conference to recommend. I think I was speaking their mind when I wrote in my Message, "If the Conference is to fulfil its larger purpose, to harmonise and not antagonise the interests concerned, or even to justify its title, it will have to stand for the application of the co-operative principle and practice

to the industry, the business and the social life of the rural community.”\*

#### THE IRISH FORMULA ACCEPTED

In these words, my fellow workers upon the rural life problem will observe, I am but ringing the changes upon a now well-known plan for agricultural development and for the rehabilitation of rural life, which must be briefly explained. It is an Irish idea, expressed in the Irish formula *Better Farming, Better Business, Better Living*. Better Farming, in so far as it is relevant to the present discussion, is the function of the State. Better Business, which lies in the sphere of voluntary action, means more than anything else, as will be seen, the reorganisation of the business of farming upon co-operative, as distinct from joint-stock, lines. Better Living includes the physical well being and intellectual advancement of the rural population, together with a more satisfying social life in the countryside.

Now in the Irish view, which the Trustees accept, Better Business, in other words agricultural co-operation, is the key to the whole problem. For unless farmers are organised for all their chief business transactions, they will not avail themselves to the full of the scientific teaching and advice afforded by the Government, although it would pay them well to do so, because they feel that they would be merely adding to the profits of the middleman. Similarly, it is a matter of experience that movements aiming at social and intellectual advancement in farming communities, are seriously handicapped where their members have not learned to work together for mutual benefit in the business of their lives and, therefore, have not developed the essential co-operative spirit. For these reasons Better Business is the foundation alike of Better Farming and of Better Living. To put it in another way, agricultural co-operation is a necessary part of a sound agricultural

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\* It may be well to point out that the mention of possible conflict of interest had regard to the fact that the Dominion co-operative organisations were increasing the competition from which the home-producer has long been looking in vain for protection. I wish also to disavow any reflection upon the efficiency of the British or Dominion farmers; they are probably far above the average of their brethren in the civilized world. My contention is that the system is gravely defective, and that the highest efficiency in husbandry, which will only be found among the better off farmers in the rural community, will not compensate for the chaotic condition of its business and the backwardness and dullness of its social life.



policy, while any sound scheme of agricultural development and rural social progress must await the co-operative reorganisation of the farmers' business.

It will be seen, in the Proceedings of the Conference, that the Delegates were in general agreement with the views above expressed. I took no part in their deliberations; but I well remember the cheers that greeted my declaration at an unreported banquet, given by the Government in their honour, that what the best of governments could do for farmers was of insignificant importance compared with what, by intelligent and loyal co-operation, they could do for themselves. Still, as governments have an important though lesser part to play, and as farmers may have to take political action in order to make them play it, before I go further I had better express the views of the Trustees and, I think, of the Conference upon the precise relations, which should exist between agricultural co-operation and politics.

#### NORMAL FUNCTIONS OF THE STATE •

There are, of course, politics and politics, and far be it from me to draw distinctions. But since their organisations must include men and women of all political opinions, co-operators must give a wide berth to party politics.\* At the same time, it is vitally important that those engaged in agriculture should have their due share of political influence. The most doctrinaire co-operator will admit that, when the resources of organised self-help have been exhausted, there will always be many things the State must do for the farmers, of which I will give a few examples, although it is rather anticipating the argument. They may legitimately demand technical instruction; agricultural experiments and research; useful information for adults (by lectures, leaflets and broadcasting); a redirection of general education in the rural schools; the extension of credit facilities to Co-operative Societies and the consequential audit of their accounts; the regulation of transport, so as to prevent discrimination (either in freights or facilities) against

\* The success and, indeed, the survival of the Irish Co-operative Movement during the life of a generation, may reasonably be attributed to the faithful observance at all meetings of societies of a non-political and non-sectarian pledge, which is in the constitution of all societies.

agricultural consigners; the marketing and branding of graded produce and similar aids to farmers conceded by continental governments.

From what I know of the permanent officials of the British and Irish Ministries of Agriculture, co-operating farmers making such demands would be pushing an open door. But Parliament is the ultimate authority, and eight years in it taught me, among other useful lessons, that economic strength is political strength. I observed that the professional politician, who leaves aggrieved individuals to nurse their grievances, has a tender regard for organised bodies. This largely accounts for the discouragingly slow progress of the struggle to make co-operation a factor in the agricultural policy of Great Britain and Ireland. It is an interesting little chapter in economic history and, as it is not without its bearings upon the political lesson I have just tried to enforce, I will tell the tale.

#### INFLUENCE OF IRISH INITIATIVE

In 1894, the Irish Agricultural Organisation Society, the first experiment with a newly invented agency of social service (called for short the A.O.S.), was founded to carry on the work upon which a few enthusiasts had been engaged for the five preceding years. Five years later, largely as a result of this nascent movement, the Irish Department of Agriculture and Technical Instruction was created to put an end to the British neglect of Agriculture, which was of doubtful justification in Britain but obviously wrong in Ireland, a country predominantly agricultural.\* For its first seven years I was working head of the Department, and naturally tried to give effect to the Irish policy by co-ordinating the Department's agricultural development work with the organising work of the Society.† With the full approval of the farmers, but against the bitter opposi-

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\* The creation of this Department, with its peculiarly democratic constitution, in response to an Irish non-partisan but widely representative Committee, was perhaps the best piece of constructive statesmanship in the later decades of British rule in Ireland. For drafting the Bill and getting it through Parliament, Mr. Gerald Balfour should be given some part of the credit withheld from this statesman because we had peace in his time.

† The Irish Movement and the Irish policy have been temporarily dislocated by the political disturbances of recent years. But as the country settles down, both will revive, and, in virtue of their demonstrated soundness, grow and prosper.

tion of the country traders—a little business which in agricultural has more political influence than Big Business in industrial communities—I subsidised the society. I did so because the organisation of farmers was essential if they were to take full advantage of the Departmental teaching. In due course the Irish Parliamentary Party managed to put an end to my sinister designs by securing my removal. But the policy had, so to speak, got into the air in the United Kingdom (as it then was) and it came up again in a strange way in the British Parliament. In 1909 the Development Commission was created. One of its chief functions was “aiding and developing agriculture” and, among the means thereto, a prominent place was given to “the organisation of co-operation.” The Commission found that the best way to do this was by subsidising the Agricultural Organisation Societies which existed wholly for this purpose.†

Notwithstanding the fact that the organisation of co-operation had made slow progress in Great Britain, the British Minister of Agriculture, Mr. Noel Buxton (who added to the public interest in the Conference by consenting to preside over its first session) boldly declared his faith in that reform. On February 28th last, he announced in Parliament that, whereas his predecessors had attempted to stimulate agricultural co-operation with grants, he was going to do so with loans. These would be made only to genuinely co-operative societies of farmers. Since then he has publicly stated that he is going to rely upon the Farmers’ Union to do the organising. He has further told us that he regards the willingness of that body to do this work as an event of first importance in the history of British Agriculture.

Beyond question it is vitally important to have the support of the farmers for co-operation, and in England, this can be best obtained, I am told, through the Farmers’ Union. It must, however, be remembered that the organisation of Co-operation is a highly technical affair; and the Development Commission were wise in assigning

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† By this time an English and a Scottish Organisation Society had been formed on the Irish model. The political opposition to the parent society in Ireland prevented its getting any subsidy for two years after the other two societies had been subsidized.

the work to the voluntary associations which specialised in it. The success of the Irish A.O.S. in the circumstances of the time goes a long way to confirm this judgment, though the enthusiasm of such pioneers as Father Finlay and Lord Monteagle, the genius of its chief organiser, R. A. Anderson, and the inspiration of "A. E.", no doubt had a great deal to do with the results achieved. It is still being subsidised by the Free State Government. The Scottish Society is determined to maintain an independent existence and carry on. So is the Welsh Society, which is only two years old. The English Society was liberally subsidised and was devotedly served by many able, public-spirited leaders of the landed classes. But it somehow did not make much impression upon the farmers, and has been dissolved.

#### PRINCIPLES STATED BY THE CONFERENCE.

I now come to the proceedings of the Conference. In the first session the discussion was opened by Sir Daniel Hall, the leading British authority on agricultural science, chief technical adviser to the Ministry and, incidentally, Chairman of the Foundation Trustees. He chose as his subject, "State Policy in Respect of Agricultural Co-operation." In the course of a brief speech, which I beg my readers to study with close attention, he gave the best definition I have ever heard of the respective functions of the State and voluntary agencies in the promotion of agricultural co-operation. His opinion was that, while from the Government's point of view it was essential that the farmers should be co-operatively organised, the task of organising them must be left to voluntary agencies. It involved a kind of propaganda which it was undesirable for Government to undertake, if only because in its effect upon business interests it might become highly controversial. Furthermore, it required for its success a type of enthusiasm it was hardly the function of civil servants to supply. When he sat down it was felt that the three-fold aspect of the rural problem had been clearly stated, and the case for treating agriculture on its three sides (as an industry, as a business and as a life) convincingly made. It was time, therefore, to embody in a resolution the broad principles upon the acceptance of which any wide resort

to agricultural co-operation would depend, and for formulating a definite agricultural policy which would give to co-operation its proper place.

Such a resolution had been submitted in draft to the Prime Minister of Saskatchewan (the Rt. Hon. C. A. Dunning) who was found to be in general agreement with the views of the Trustees. He was asked to move it at the proper time in the precise terms which expressed his own opinion. This he now did in the first of several speeches, all of which should be read as they made a profound impression upon the Conference, and contributed materially to its success. The resolution ran :

That a prosperous and progressive agriculture is essential to Empire wellbeing ;

That agricultural prosperity depends fundamentally upon the fulfilment of three conditions :—

- (1) the application of scientific knowledge, under the guidance of the State, to the farming industry ;
- (2) the voluntary organisation of farmers for business purposes on co-operative lines ; and
- (3) A reconstruction of social life in the country, with a view  
•     •     to removing the disparity between the respective  
       attractions of town and country.

When this resolution, with its strong note of self-reliance in such marked contrast to the familiar, futile appeals for government aid at the expense of the general taxpayer, was proposed by the Prime Minister of one of the great agricultural states in the Empire, and carried without a dissentient voice, I felt that there would be given to agricultural co-operation a significance, an importance and a human interest it had not before possessed. The right spirit had been manifested, sound principles had been agreed upon. I felt confident that a great movement had been set on foot, which would continue to grow until agriculture throughout the Empire has been organised up to the level of efficiency attained by industrial and commercial occupations under the stimulus of modern competition and with the aid of modern knowledge. The Conference, it will be seen, took the necessary steps towards the inauguration of such a movement. But much discussion outside the Conference will take place before it will receive adequate support. To this discussion I am striving to make a worthy contribution.

## SOME CAUSES OF BRITISH NEGLECT.

I realise that two questions will be in the minds of all to whom the foregoing observations may have opened new lines of thought. It will be asked:—How comes it that a matter of such primary national importance has been neglected so persistently and so long? Secondly, if agricultural co-operation has the merit claimed for it, why is it so little resorted to, so hard to initiate and so apt to fail? After five and thirty years devoted to the application of the co-operative remedy for agricultural backwardness, and in the light of many practical experiments, not all of which have failed although conditions were seldom favourable, I have answered these questions to my own satisfaction. I must give my answer to other—and especially to younger—students of rural economics for what it is worth.

I am one of those who hold that the chronic agricultural depression and the backward place given to agriculture in the economy of the English-speaking nations, are both due to an economic idea which originated in England as the logical result of the Industrial Revolution, and still dominates the thought of the English-speaking world.\* Throughout the formative years of the industrial era, her command of the sea and her insular position made Great Britain the one country in Europe where investment of capital in manufacturing enterprise was secure. With these advantages the capitalists required no assistance from the State. They could afford to train their workers and, incidentally, were allowed to “sweat” them to their heart’s content. All they asked was to be let alone—their gospel, preached by the leading economists of the day, was *laissez faire*. Every other consideration was subordinated to the supreme end of industrial development at home with commercial expansion abroad. This political and economic objective, which had England’s long commercial supremacy for its reward, led inevitably to a decline of national interest in the prosperity of agriculture and in the welfare

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\* The Trustees greatly regretted that it was not possible in the available time, and with the financial resources at their command, to include the United States, to which the entire arguments and these historical observations apply. The American Ambassador, Mr. Frank B. Kellogg, who has a fine co-operative record in his own state of Minnesota, would have addressed the Conference had he not been held by the Reparations Conference.

of the farming classes. To them *laissez faire* simply meant neglect.

In one of its chief developments the Industrial Revolution opened a vista of opportunity to the farmers of the new countries, and of disaster to those of the old. In the latter half of the nineteenth century, improved, cheapened and accelerated transportation, combined with processes for the preservation of food in fresh condition over the longest routes, subjected the farmers of these islands, and of the other crowded countries of Europe, to competition with the vast tracts of virgin soil newly brought into cultivation in the uttermost parts of the world. During the life of two generations the farmers of Western Europe have been struggling against the new factor of foreign competition. In the British Isles almost alone did the Government make no attempt to educate the farmer for the new conditions of his industry. And it is worthy of note that except in Britain, where farmers preferred the ways of their fathers, foreign competition was always met with co-operative organisation. To take a few examples, in Scandinavia, France, Germany, Northern Italy and later in Ireland and Russia, co-operation came to be considered essential to successful agricultural business, just as, for example, is rotation of crops to successful husbandry.

#### HOW TO MEET WORLD COMPETITION.

The urgency of inducing the farmers of the British Empire to do likewise is unquestionable, for the prospect of increasing foreign competition only blind optimism can ignore. Crowded into an island, which, before it was industrialised, carried hardly one-fifth of the present numbers, a population of over forty millions, with a yearly increase of some four hundred thousand, cannot by any means known to the scientist ever hope to feed itself. England cannot remain a great power without the help of the city to provide her with the necessary numbers and wealth. She must obtain cheap food in exchange for her manufactures, and for this she must go abroad. The virgin soils are by no means all settled. The best authorities I have been able to consult hold that the agriculture of the North American continent could be made far more productive than it is. Nothing but political chaos postpones

the keenest competition from Siberia. The tropic belt, with its incalculable vegetable resources and its continual harvest, is barely touched.

The only hope of salvation for the home producers is, I submit, to make their organisation as economic as possible, so that they may have the best chance of maintaining and strengthening their position in the markets which are the most favourable to them. Co-operation in milk, vegetables and fruit, is clearly indicated. It is also immediately important to see that our produce is of the first quality and is properly graded, a matter in which the government can help when the farmers are thoroughly organised at the producing end. Whatever system of cultivation they adopt, they must be armed economically with as up to date equipment as their competitors possess. For these reasons, until we give co-operation full trial—and we are far from having done this—we simply don't know what agriculture in the British Empire can achieve.

#### THE TECHNIQUE OF ORGANISATION.

I come then to the second question, why agricultural co-operation, which common sense and the teaching of the most progressive agricultural communities in Europe should sufficiently commend, makes so little headway in Great Britain and in the countries which habitually follow her economic lead. As was pointed out at the Conference, they know perfectly well that they are at a disadvantage in their business relations with other interests because these are nearly always highly organised. In their helpless position, they buy retail and sell wholesale—not a get-rich-quick procedure. Much was made of Mr. Dunning's aphorism that the farmer alone when he buys asks "what is the price," and when he sells asks the same question. Nor is it denied that this whole situation would be transformed if the farmers practised combination on a large scale.

Those who have tried and failed to get British farmers to combine give stock reasons for their unsucccess. The farmer, they tell us, is rootedly conservative, intensely individualistic and not a little distrustful of his neighbours. He lives apart, spends his days in the open air, and prefers sitting over his hearth in the evenings to going to meetings. The home producers have a near market in which they can



often satisfactorily do business, both buying and selling, without the help of any organisation. Then, as has already been pointed out, the large farmer can protect himself from the middlemen, who would certainly make it worth his while to reconsider any inclination to lead his neighbours in co-operative undertakings. It is true that the natural leaders of farming communities would not derive as much benefit from agricultural co-operation as their less well off neighbours. But when the argument is completed, I think they will see that, taking the long view, an enlightened self interest should make them lend their influence to the organisers of co-operation.

When all is said, the explanation of the farmers' failure to combine does not satisfy the economic enquirer. I believe that the chief reason why farmers do not combine has been missed. It is simply that they don't know how. To put it briefly, they have not understood that the form of combination suitable to agriculture is not the form suitable to other occupations. Everybody understands the capitalist device known as the joint stock company but few people grasp the wholly different principle, spirit and technique of the co-operative society. In these things what the countryman has got to learn is the *modus cooperandi*. As Sir Daniel Hall said in the address adverted to above, it is all a question of technique.

Here let me try to dispel the paralysing confusion which exists as to the technical meaning of co-operation. It is almost the commonest of the long and exotic words in the English language. In nine hundred and ninety nine out of every thousand times it is used—in its application, I mean, to human activities from matrimony up—it has no relevance to the present discussion. When it is used in the technical sense, as understood by real co-operators, the user has too often but the haziest conception of what is implied by the term. We hear co-operation, on the one hand acclaimed as a panacea; on the other derided as a useless fad. In a recent debate on the subject in the House of Commons the assertion that the word combination would do as well passed unchallenged.\* Of course co-opera-

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\* See Parliamentary Debates (House of Commons) for February 28 and March 3, 1924. A better illustration of the barrenness of thought or of the need for enlightenment upon the subject we are discussing would be hard to find.

tion is always combination, but the converse is far from being true. Some of the Dominions have passed laws defining the word co-operation and forbidding its use in the title of concerns not genuinely co-operative. It is not creditable to the farmers' economic sense that legislation should be necessary to enforce the distinction.\*

Limitation of space precludes any detailed account of the legal provisions—involving as they do technical questions of constitution, rules, and procedure—which differentiate the co-operative society from the joint stock company. These are succinctly stated in the Final Report of the Linlithgow Committee,† and it will suffice here to indicate the salient features of the co-operative business association. The object being not an investment of capital for profit but a combination of those engaged in the same occupation for common benefit, any capital subscribed is treated as a loan upon which a limited and specified interest is paid. The one man one vote principle is observed both in the election of the management and in the decision of questions of policy, because the success of the venture is at least as important to the poorer as to the wealthier members. Any surplus profit (after meeting interest on capital, putting something by for contingencies and, in the best societies, contributing to a fund for educational and propagandist purposes) is returned to members in proportion to the business they have done with their Society. Sometimes the workers for the society share in the surplus in proportion to the wages they have earned. These provisions have proved to be conducive to success, simply because they are recognised as being fair to all participants in the undertaking.

#### THE JOINT STOCK *VERSUS* THE CO-OPERATIVE METHOD.

An experience of my own many years ago will serve to illustrate the essential difference between the joint stock and the co-operative system for farmers' combination. I recall it because it was very illuminating to me when I was

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\* Of course in these islands the distinction between the Company and the Society has long been recognised. The Industrial and Provident Societies Acts, 1893 to 1913, provide for incorporation of the latter with limited liability, one man one vote, and other features of non-capitalistic association.

† Departmental Committee on Distribution and Prices of Agricultural Produce, Final Report (Cmd. 2008). See page 29.

new to the work of agricultural co-operation. Cork butter, the product of the home dairying industry in the South of Ireland, had long been famous owing to the excellency of the Irish soil, climate, cows—and, of course, women. In 1889 new dairying machinery had been invented which cheapened the production of butter, and enabled it to be manufactured in bulk of uniform quality, so that it could be more expeditiously and economically marketed. Some groups of farmers were persuaded, often by the vendors of dairying machinery, to erect creameries of their own. They called in the solicitor from the nearest town and got him to organise them in joint stock companies. These companies all failed, while the co-operative creameries erected about the same time, nearly all succeeded. The failure and the success can both be easily explained. One of the chief duties of the governing body of a creamery is to determine the price to be paid for milk. Suppose Director A had a hundred shares in the company and one cow, while Director B had a hundred cows and one share—I need not elaborate the conflict of interest which would inevitably exist. Suffice it to say that, although the shareholders did not know it, this conflict was fatal to the concerns. In the company the profits go in dividends to the shareholders. In the co-operative society the shareholders receive a limited interest on their shares; any surplus profit is divided among the suppliers of the milk in proportion to the amount supplied.

It must not be thought that the fundamental distinction between the joint stock and the co-operative plan, in its bearing upon agriculture, is or can easily be made so obvious as to be accepted off-hand. The confusion is probably due to the urbanization of all thought in modern times. Public opinion in the country is a town made thing. The countryman gets his newspapers from the town, and there the rural teachers are trained. And so it came about that co-operation is also predominantly urban. It is a discouraging circumstance that the industrial co-operative movement, with its millions of adherents and its enormous trade turnover, has made no serious attempt to apply its principles to agriculture. I have attended several Co-operative Congresses in hopes that I might interest leaders of the movement in such a new departure. But I was ever up against the difficulty that

farmers do not understand co-operation, and co-operators do not understand farming. I have often regretted that the Rochdale Pioneers did not divide up a pig instead of a chest of tea.

Notwithstanding all the difficulties to be encountered, and the adverse tendencies to which I have adverted, the building up of an agricultural co-operative movement, upon the urgency of which the Conference was unanimously agreed, is practicable, if we only go the right way about it. The work should be begun at once in Britain because, just as the wrong idea of agricultural development, once started there, pervaded the whole English-speaking world, so would the reform we desire, once accepted by British agricultural leaders, be adopted throughout the Empire. If rapid progress is to be made, I am absolutely convinced that every rural community which joins the movement will need the services, at the outset at least, of a voluntary association which specialises in the technique of organisation.

In concluding the practical arguments in favour of agricultural co-operation in the countries we are considering, let me give a word both of encouragement and of warning to those who are going to help in building up the movement. It would be a lamentable confession that British agriculture must remain unorganised, while the Danes have, if I may coin such a word, co-operatised their agriculture down to the last egg. I have been told that co-operation is alien to the temperament of the British farmer. "In my district," I was recently informed by a well wisher of the country folk, "we held three—actually three—meetings in order to start a Society and nothing came of it!" When I started work in Ireland, I was told that it was hopeless, that the Irish can conspire but cannot combine, and that I was setting out on a fool's errand. My friends and I held fifty meetings before we started our first society: now there are over a thousand. The work will be hard anywhere, but if it is properly conceived and sufficiently persisted in it won't fail.

#### BRANCHES OF "BETTER BUSINESS."

The Trustees confidently hope that, as a result of the Conference and of the contemplated measures, which will be presently explained, for following up its work, a great

stimulus will be given to co-operative effort both at home and in the Dominions. In this expectation I will now give a rough summary of the main agricultural purposes which can be far more advantageously fulfilled by co-operative societies than by individual farmers acting in isolation. I will place these objects in what appears to me to be the order of urgency.

- (1) *The Marketing of Produce*.—It should be borne in mind that the concentration of peoples in manufacturing and other great centres of population has imposed certain new conditions upon the suppliers of food. In order to sustain these populations food must be sent to them *regularly and in bulk of uniform quality*, so that it can be rapidly and economically distributed. If the farmers are not very highly organised, they have to pay a host of middlemen to meet these new market conditions. The Linlithgow Committee were of opinion that a distributive machinery in the hands of non-agricultural experts is and will continue to be necessary. I am not sure of this, but one thing may be confidently affirmed. It is essential that farmers should be so well organised for business purposes that they can control the middlemen's exactions by undertaking distribution whenever they are charged an excessive commission. This part of the co-operative problem will never be completely solved until organised producers sell to organised consumers. American farmers have, however, profited enormously by co-operative marketing, although they have done little else co-operatively.
- (2) *Joint Purchase*.—Far easier than co-operative sale is the acquisition, *at the lowest price and of guaranteed quality*, of agricultural requirements, such as seeds and fertilisers, implements and machinery, farm building and fencing materials. Domestic commodities should follow if the competitive trade does not supply co-operating farmers on satisfactory terms. The acquisition by hire or purchase for joint use of the most economical harvesting machinery would help small farmers.† Sire animals for the improvement of live stock can be similarly acquired.
- (3) *The Manufacture of Agricultural Produce*.—Under this heading, Creameries, Cheese Factories and Bacon Factories have been sufficiently proved. Other animal products, and an immense variety of cereal, fruit and vegetable food preparations are all worthy of consideration.

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† Only that experts tell me it is still in the experimental stage, I should include the new device for drying crops in the stack invented by Captain Owen of the Institute of Research in Agricultural Engineering at Oxford. It looks most promising.

- (4) *Agricultural Credit*—The Co-operative Society, once established, can obtain loans on terms suitable to agricultural conditions. The sixty or ninety day loan of the city is useless to the farmer who, for example, wants money for sowing and cannot repay it till harvest, or for young stock which will not become saleable when the banker thinks the loan should mature. Still more so does this apply to the purchase of materials like lime, the value of which can only be realised over a term of years. The Co-operative Society can offer to the lender a new basis of security, which arises from the intimate knowledge the democratically elected Committee of Management have of the character and capacity—or credit-worthiness, as it is sometimes called—of the members. Insurance may also be advantageously undertaken.
- (5) *Helping and Getting Help from the State*—When farmers have organised for the above purposes, they will be in a position to ask for and obtain from the Government all those services which can be legitimately rendered to them at the public expense and can make State aid fruitful. It is one of the first principles of the Irish agricultural policy, that farmers must be co-operatively organised before they can be economically and effectively assisted by the State. My official experience, mentioned above, justifies me in saying this.

Can any agricultural authority point to a single rural community in the British Empire where the whole of this programme—or even the greater part of it—has been undertaken ?

#### THE PROBLEM OF RURAL LIFE

In the terms of the Irish formula, I have now said all I have got to say upon Better Farming and Better Business ; it remains to examine the meaning and significance of Better Living, to the discussion of which the Conference devoted its last day. Backward as may be the industry of the farming community in the English speaking world, unorganised as is admittedly its business, its social and intellectual life leaves even more to be desired. Many years ago, when I was familiar with rural conditions in the wide spaces of the Middle West, I learned that the dullness of the farm drove many a house-wife to the asylum. On the less remote farms of these islands there has been no such consequence of intolerable ennui ; but we have our rural exodus. However well the squire and the parson do their social duty by their poorer neighbours, the increasing attractions of the city keep drawing away the best element

in the rural community. I have elsewhere argued that the intelligence of the rustic, though less quick than that of the townsman, has a fundamental quality of great potential value to the modern state.\* But the rustic has not the flow of words which attracts the voter. It cannot be denied that the educational facilities for the young and old of the rural population are deplorably restricted. Moreover, owing to the subordination of the agricultural to the urban interest for over a century and a half, and in the circumstances of the present day, it is inevitable that the great majority of those whose altruism finds its vocation in social service should elect to work among the concentrated masses of the city rather than in the lonely countryside.

Happily, in the last few years there has been a great deal of social service activity throughout the Empire and in America. In the United States and Canada some of the churches have in this matter set an example which I think might be followed in the British Isles and the other Dominions with mutual advantage to themselves and rural communities. There is a galaxy of social organisations at work in the British countryside, ranging from the Y.M.C.A. to Boy Scouts, and from the Women's Institutes to Girl Guides. I have heard the social endeavour of the British Legion, the Drama League and promoters of folk dancing highly praised. The United Irishwomen are leading such activities in the Free State and Northern Ireland. A description of all this work would have no place in this Introduction, but one or two comments upon it can be made which will not be irrelevant.

In the last two or three years there has been a tendency of all rural social workers and their organisations, to co-ordinate their beneficial endeavours. The Carnegie United Kingdom Trust, which has done fine work in the extension of its rural library movement, has taken an important part in promoting, in the widest and wisest way, the Better Living we wish to see. It has specially encouraged Community Councils which, having a county basis, are recognised and supported by the county authority. The Trust has, further, given subsidies to the National Council of Social Service, of which Professor Adams, one of my Trustees, is

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\* The Problem of Rural Life in the United States—MacMillan—7s. 6d. net.

Chairman. To all these bodies I would like to submit with much diffidence, two suggestions ; one of fundamental principle, the other of detail, but, I think, of real importance. I will dispose of the last first.

In the right use of wireless we have an agency of rural advancement of obvious educational and social value, and of incalculable possibilities in brightening the once drab existence upon the farm. I have always deprecated attempts to bring the many new urban devices for popular amusement, of which the cinema is typical, into the country ; for these will multiply so much more rapidly in the city than in the country that you will only be widening the gap you want to close. In broadcasting, on the other hand, we have an agency of social service in respect of which the town has no advantage—which indeed might seem to have been invented mainly for those who live widely scattered. Not only is the meteorological information of greater value and the broadcasting of market prices and conditions of more importance to the farmer than to the townsman, but in remote districts the music, singing, lectures and general news sent out will be subjectively more prized and objectively less distracted by the cities' noise. When farmers are co-operatively organised they will obtain the necessary instruments for individual and collective use on the best terms and will be able to have broadcasting services suited to the needs of those who live and work on the land.

#### THE HIGHER PURPOSES OF CO-OPERATION.

My second suggestion relates to rural education in the widest sense. We cannot hope to develop the industry or modernise the business of farming unless a population, of at least average quality in things that count in the make up of a modern progressive community, can be kept on the land. The authorities I have been able to consult are agreed that the farmer's calling will not, at present at any rate, provide for those who live by it a life of luxury and ease. On the other hand, a reformed agriculture should provide for all its workers physical wellbeing and comfort, with the prospect of steady employment, and then we should only have to look to the pleasures of life to make the land worker's lot equal to that of the city dweller. For



the country offers continual interest to the mind which has been trained to be thoughtful and observant; the town offers continual distraction to the unseeing eye and the vacant brain. Probably the primary need here is the redirection of rural education.

"The education given to country children," I wrote many years ago, "has been invented for them in the town, and it not only bears no relation to the life they are to lead, but actually attracts them toward a town career. I am aware that I am here on grounds where angels—even if specialised in pedagogy—may well fear to tread. Upon the principles of a sound agricultural education pedagogues are in a normally violent state of disagreement with each other. But whatever compromise between general education and technical instruction be adopted, the resulting reform that is needed has two sides. We want two changes in the rural mind—beginning with the rural teacher's mind. First, the interest which the physical environment of the farmer provides to followers of almost every branch of science must be communicated to the agricultural classes according to their capacities. Second, that intimacy with and affection for Nature, to which Wordsworth has given the highest expression, must in some way be engendered in the rural mind. In this way alone will the countryman come to realise the beauty of the life about him, as through the teaching of science he will learn to realise its truths."\* This passage expresses the views I still hold.

More important are the views of the Conference. These will be found in the discussion upon the last day, when the chief speakers were women who had rendered social service to rural communities. In the morning the subject was "Juvenile Rural Organisations." The discussion showed that the Conference was alive to the necessity of bringing young people of both sexes into the scheme of social reconstruction. In the afternoon there was an important debate upon Rural Community Organisation for Better Living. It was opened by Miss Hadow, Vice-Chairman of the National Federation of Women's Institutions, by far the most efficient organisation engaged in this work. The Trustees were familiar with the splendid work she has done

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\* The Rural Life Problem in the United States, Page 133.

in Oxfordshire from her centre at the Barnett House in Oxford, and knew that she would treat her subject so as to bring social reconstruction into its proper relation with the business reforms which had necessarily occupied most of the time of the Conference.

Every word of her admirable and comprehensive address should be read. She and two of her associates from the National Federation had sat through the seven proceeding sessions. They had come to the conclusion that the development of Agricultural Co-operation upon the lines agreed to by the delegates for economic reasons, would be immensely helpful to the social organisation of farming communities for other and higher purposes. Her contention she embodied in the following resolution which, after it had been spoken to by a representative of the famous Women's Institutes of Canada and other speakers, was carried unanimously with the enthusiasm the Conference always showed for valid contributions to thought upon the rehabilitation of country life :

1. That agricultural co-operators throughout the Empire be reminded of the necessity for interesting in their movement rural organisations of women.
2. That all rural organisations of women be hereby urged to interest themselves in the application of co-operative methods to agriculture, not only for economic reasons, but because experience has shown the system to be the best means of promoting social advancement in the rural community.

It will be remembered that on its first day the Conference recorded its conviction that "agricultural prosperity depends fundamentally upon the fulfilment of three conditions." The first assigned to the Government the duty of seeing that science was applied to the farming industry. The second condition was "the voluntary organisation of farmers for business purposes on co-operative lines." In other words, agricultural co-operation must be raised from its lowly position as a fad or "sideshow," and must be regarded as the one thing needful to bring the basic industry out of the slough of despond. Upon this issue the main thought of the delegates had been concentrated. The third condition was "a reconstruction of the social life of the country, with a view to removing the disparity between the respective attractions of town and country." Miss

Hadow rightly insisted, that this was primarily the women's part in the promotion of the "prosperous agriculture," which, in the first sentence of its first pronouncement, the Conference had declared to be "essential to Empire well-being." Speaking from a large experience of successful wrestling with the rooted prejudices and deadening apathy of the countryside, she showed that this was being done in a large way. Her most important injunction to country women was that they must see to it that the men do well their part and so provide the fundamentally necessary co-operative spirit, for the lack of which the social service she was engaged in was badly handicapped.

#### THE CONFERENCE AND THE FOUNDATION.

The ground covered by the initial resolution upon the fundamental principles of agricultural development and rural life reconstruction had now been pretty fully explored. There had been great argument about it and about. But, far from its having been inconclusive, there had been evolved in the minds of the delegates a complete scheme for a rural existence in line with the progress of the age. And, what is far more important, the delegates would go back to their respective communities determined to give practical effect to their new perception of what agricultural co-operation, rightly understood, might achieve. Nevertheless, if the Conference had done no more than this, not only its deliberations, but also this Introduction, might be but an academic approach to an agricultural Utopia. It was unanimously felt that the interchange of experiences and opinions which had there taken place should be continued with a view to the gradual building up of an agricultural co-operative movement upon the Imperial scale which the circumstances would seem to demand.

This question was debated and decided on the afternoon of July 30th. The subject set down for discussion was "The existing relationship between Agricultural Co-operative Movements in different parts of the Empire and the prospect of their development." The High Commissioner of the Irish Free State, the Hon. James MacNeill who, as an old Indian civil servant, knew the Agricultural Co-operative Movement in India as well as in Ireland, presided. He whole-heartedly supported the policy advocated in

these pages, and adverted generously to the work of the I.A.O.S. He characterised it as "a national institution" which was "capable of effectively translating and supplementing the State policy as regards rural development." He particularly endorsed two of the Irish Society's doctrines. "Better farming and better business would," he said "be a soulless thing without better living." But he insisted that "the immediate thing to aim at is better business." "Without the genuine co-operative spirit there can be no real and permanent progress." He then called upon Professor Adams, whose distinguished academic record and post academic career, his selection as one of the three economists for the Agricultural Tribunal of Investigation,\* his chairmanship of the National Council of Social Service and the fact that he could speak for the Foundation as one of the Trustees, combined to give great weight to his address.

In his opening remarks he called attention to what he rightly described as an Irish institution, namely The Irish Statesman, "a paper which carries on an extraordinary and unique work." It is edited by the far-famed "A.E." whose old paper, The Irish Homestead, is incorporated in it. Although my pecuniary interest in the journal is limited to a single share of £1, I might have hesitated to mention it if no one else had. But as the paper is the only exponent in the Press of the Irish idea of agricultural co-operative policy, I do not think it improper to ask all who wish the Conference to be fruitful, to subscribe for and read it—at least until the good ship Agricultural Co-operation is in smooth water.† To satisfy them that they will thus be helping towards this end I need only quote Professor Adams' statement to the Delegates that "it is a medium exercising an influence not only in Ireland but across the Atlantic." He further expressed the hope that in time its influence would be extended "over the wide world, wherever co-operators live and work together."

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\* Agricultural Tribunal of Investigation, Final Report [Cmd. 2145], price 5s. This Report should be read by all students of agricultural co-operation. Also the Final Report of the Commission of Agriculture in the Free State, published by Eason & Son, Dublin (price 2s. 6d.) is well worth reading.

† The office of The Irish Statesman is at 16, South Frederick Street, Dublin. The subscription is 3d. a copy or Yearly 15s.

## A LINK FOR EMPIRE CO-OPERATION

The speech was too good to be summarised—it should be read, every word of it. All that is relevant to my present purpose is his answer to the question he put—“How can the work of this Conference be carried on?” We should want, he said, “a comparatively simple thing, a clearing house of information which will go on steadily gathering together and spreading out as quickly as it comes in the light that it gathers from different parts of the world on the Co-operative Movement.” He gave convincing reasons why such an institution must be in London and showed that it would neither interfere with nor overlap the work of any other institution, though it might supplement the work of many. Finally, he told the Conference that the Trustees were “prepared to do all they can, financially and otherwise, in the initiation of the work.”

This offer was jumped at. The Deputy Commissioner for Canada, Mr. W. H. Wilson, after declaring that Professor Adams had established “the need for a clearing house for the co-operative movements throughout the world,” moved the following resolution:—

That, in view of the importance and urgency of reliable information as to the position and progress of the agricultural co-operative movement in all its branches, there should be established in London a clearing house of such information for the service of the movement primarily throughout the English-speaking world.

That the Trustees of the Horace Plunkett Foundation be hereby asked to consider steps to give effect to the above resolution.

The resolution was supported by an Indian Registrar of Co-operative Societies, Khan Bahadur Mohiuddin Ahmed, in a pathetic appeal for the only effective help in relieving his people from the burden of usury, namely co-operative organisation. This would be promoted by the knowledge proposed to be disseminated. There followed such well known co-operators as Mr. Philip Morrell and Mr. Hart Synnot, who dwelt on the need for and potential usefulness of the proposed work. Mr. Alexander, representing the Co-operative Wholesale Society, by far the most powerful organisation in the industrial movement, seemed to suggest that this great business concern might do at least as well for the farmers, in a business way, as they could do for

themselves; while for the kind of work the Foundation was being asked to do, the International Co-operative Alliance might suffice. This brought two of the Trustees, Senator Harold Barbour, the leader of Agricultural Co-operation in Northern Ireland, and Mr. Smith Gordon, one of the best co-operative thinkers in the Free State, to their feet. These suggestions they thought to be alien to the spirit of the Conference. The agricultural co-operative movement was young, weak and struggling and could not treat on even terms with such mighty organisations as the long established industrial movement contained. It must for a while maintain an independent existence and fight its own battles. Later on, the most friendly and mutually helpful relations between the two co-operative movements should be easily established. If there be truth in what I have written upon the subordination of agriculture to industry in modern times, the position taken up by these two agricultural co-operators was altogether sound.

The debate was concluded by Mr. Dunning, who not only endorsed and supplemented the views of the speakers who had supported the clearing house project, but raised in the most helpful way the question of finance. "The discussion this afternoon," he began, "has in the main been typical of co-operative gatherings. Someone has offered to do something for us, and we are quite willing to let them. But it is a mighty poor way of starting anything." He then showed what an immense sphere of usefulness would at once be open to the clearing house, how necessary it was for the agricultural movement to do its own work until it could treat on something like even terms with the industrial movement, how neither the Agricultural Institute at Rome, nor the International Co-operative Alliance could do what was wanted and, lastly, that the work must be provided for from within the movement. He suggested that there should be a corresponding membership, consisting both of organisations and individuals. The members would be entitled to all the information and advice the central office was able to afford. They on their part would be expected to supply information from their own districts and to pay such subscriptions or affiliation fees as may be agreed upon. Mr. Dunning undertook on his return to Canada to canvass the agricultural organisations of his own province for

financial support of the institution, and he appealed to other overseas representatives to do the same. I earnestly endorse this appeal and would extend it to all concerned for agricultural prosperity in the Empire.

#### SUMMARY AND CONCLUSION.

Already the Trustees who convened the Conference have taken an office in London and have allocated a considerable part of the capital of their endowment for the discharge of the function assigned to them. This will initiate what they believe is destined to be a great movement, and they will carry on until, in the true co-operative spirit, the service is adequately supported by those in whose interest it is to be rendered. The vital importance of that service will be fully appreciated by those who have had the patience to read the foregoing pages; but, for those who may pardonably have skipped considerable portions of what I have written, I will briefly recapitulate the arguments for a rapid development of agricultural co-operation not only in scattered efforts for the benefit of particular communities, but also as a movement aiming at the political, economic and social advancement of agriculture in the English-speaking world.

The Trustees were aware, and the SURVEY OF AGRICULTURAL CO-OPERATION IN THE EMPIRE clearly proves that, taken as a whole, the movement is sporadic, fitful, and largely fortuitous. Too often, in its functioning, it embraces but a minute fraction of the agricultural business to which it might be beneficially applied. The cause of its backwardness is probably to be found in the farmer's fatal belief in political panaceas for economic ills. The Conference, on the other hand, was remarkable for its reliance upon self-help made effective by organisation—if I may borrow a definition of co-operation from the industrial movement. No demands were made for state assistance which any government would not readily concede. Governments were asked to remember, and act upon, a principle impressed upon the farmers, that the improved husbandry they taught would be far more likely to be practised in communities co-operatively organised. There was no mention of protection, bounties or subsidies—not even of Imperial Preference! In one other respect the Conference broke fresh ground. The men recognised the vital necessity of a

more advanced social and intellectual life in the countryside. The women contended that the right organisation of farming business was needed in order to foster the co-operative spirit, without which that better life could not be created, and to provide the means without which it could not be sustained. Naturally, I rejoice to see so representative a body endorsing in its entirety the Irish formula of Better Farming, Better Business, Better Living—with Better Business first.

The Conference, whose political moderation, economic sense and social insight had evolved a scheme of things entire for a new rural civilization, has passed into history and, as I have said, has delegated the carrying out of its recommendations to the Foundation which bears my name. Its Trustees have the will and know the way ; they may be relied upon to make a good beginning ; but, although they have amply provided for the initial stages of the work, its continuance will depend upon the moral and financial support received from the widely scattered agricultural organisations of the Empire, whose members, I am persuaded, will not fail to speed the plough to which my Trustees have set their hand.



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*PART I.*

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A SURVEY OF AGRICULTURAL  
CO-OPERATION IN THE EMPIRE

• EDITED BY •

K. WALTER

FOR

THE HORACE PLUNKET FOUNDATION

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## Editorial Note

In the short time available for collecting and editing the material of a first Survey of Agricultural Co-operation in the Empire, for the Conference, it was impossible to obtain direct from the thousands of co-operative organisations themselves the information desired. To communicate with them all, as in any future survey would be desirable, in itself would have involved an extensive survey and much careful selective work ; for there at once arises the difficulty of discriminating between societies which are organised on a strictly co-operative basis and those in which the amenities of capitalism are preserved under the ægis of co-operation. The limited exploration that was possible in this direction revealed a great diversity in the interpretation and application of the co-operative name and principles, varying from the common proprietary business in unblushing masquerade, which has its well known equivalent in the retail business, to semi-co-operative enterprises and, at the other extreme, really co-operative societies modestly hiding their light under other titles. Further, as co-operative marketing is every year taking a place of greater importance in world commerce, whether by means of commodity pools or great federations equally requiring large capital for their operations, it becomes more and more a matter for deliberate study to determine their economic character. In a very rough and ready fashion some discrimination of this kind has had to be used ; it is therefore possible that, in addition to the unavoidable gaps in his information, the editor may have erred in selection. Corrections, on one side or the other, will be welcome for the time when it may be possible to publish a more complete survey of the movement.

The editor wishes to acknowledge his indebtedness to those Agricultural Departments of various Governments of the Empire which have furnished him with reports and other material. Without their assistance it would have been impossible to see so much of the world in such little time. Here again the diversity of the movement, viewed through these official telescopes, and the diversity of the instruments themselves, may be noted, the latter varying in field and focus between the breadth and precision of the annual reports of the Government of India, and general darkness. Being to a considerable extent, however, dependent upon governmental sources of information, the present survey may seem to give undue prominence to the development of the movement in those countries where the state is taking a direct part in its promotion and control. For example, there will be found in the appendices a complete copy of a Queensland Act which will be studied with interest by those who look to co-operation as a kindly alternative to State Socialism. To some this compulsory form of voluntary association will seem the

logical and desirable end and aim of the movement in other countries, to judge by the information here given about them. Bearing in mind the disabilities of this hurried work, however, the reader for whom voluntary enterprise is the essence of co-operation will not find himself obliged to form any definitive opinion upon the general tendency of the movement in the Empire, but will be able to keep an open mind for the more complete data of a further survey.

Another topic of great controversy upon which too little information is at present available, is the relative efficiency of general marketing federations and special commodity organisations. The most successful ventures in the second type are those which are associated with the name of Mr. Aaron Sapiro in the United States, and so do not come within the scope of this enquiry ; nor has there been included in it any account of various pools which, co-operative perhaps in a general sense, are not dealing with goods co-operatively produced or controlled by the producer. On the other hand we have the outstanding achievement of the Overseas Farmers' Federations to which reference is made in a quite inadequate chapter on overseas marketing. A fuller examination of these various systems of marketing, with special regard to their psychological as well as economic results to the producers, should also be among the purposes of a more leisurely survey.

The 'original' Memorandum calling the Conference, and the Schedule of Information Desired, will be found in the appendices. The latter will be a measure of the editor's intentions.

K. W.

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# *British Isles*

## ENGLAND AND WALES

Although a few co-operative societies were in existence before 1900, the movement in England may be said to have begun in 1900 when the British Agricultural Organisation Society was established : this Society was amalgamated in 1901 with the National Agricultural Union to form the Agricultural Organisation Society.

Up to the present time the Agricultural Organisation Society of 40, Broadway, Westminster, S.W.1., has been the body responsible for general propaganda and organisation, and any grants made by the Ministry of Agriculture and Fisheries to foster co-operation among farmers have been paid to this Society. This arrangement has now come to an end, and in the future it is anticipated that the Ministry of Agriculture and Fisheries will itself take a more active part in the work of encouraging the growth of agricultural co-operation in England and Wales.\*

The Agricultural Organisation Society has been mainly supported by grants made to it from Government sources : it has also been in receipt of voluntary subscriptions and affiliation fees from societies. The number of Agricultural Co-operative Societies not affiliated to the Agricultural Organisation Society would not exceed a dozen. The legal basis of co-operative organisation is the Industrial and Provident Societies Acts, 1893-1913.

The following table shows the progress of the movement in England and Wales from 1901 to 1922 :—

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\*For a recent considered opinion and review of Agriculture Co-operation see the Final Report of the Agricultural Tribunal of Investigation, of which the relevant paragraphs will be found in *Appendix B*.

Year.	No. of societies	Member-ship.	Turnover.	CLASSIFICATION OF SOCIETIES.							
				Require-ments.	Dairy	Egg.	Fruit	Slaughter-house and Auctions.	Small Holdings and Allotments	Credit.	Mis-cellaneous
			£								
1901	25	517	9,467	—	—	—	—	—	—	—	—
1902	41	1,094	16,274	29	7	—	—	—	2	—	3
1903	72	3,245	38,909	47	9	—	—	—	4	9	3
1904	98	4,923	136,677	65	12	—	—	—	5	11	5
1905	123	7,439	221,521	88	12	—	1	1	5	11	5
1906	137	8,700	375,000	96	12	—	1	1	5	11	11
1907	167	10,500	610,000	114	11	—	2	1	13	15	11
1908	281	15,000	770,000	121	13	—	2	3	111	20	11
1909	321	19,500	860,000	133	12	—	—	3	134	29	10
1910	396	24,000	1,100,000	145	19	20	—	3	161	39	9
1911	506	31,020	1,331,083	179	24	29	1	3	211	49	10
1912	478	37,264	1,823,482	170	28	24	6	4	190	46	10
1913	539	46,149	2,144,666	202	30	24	9	4	195	56	19
1914	573	52,507	2,510,219	227	34	24	9	4	195	58	22
1915	550	55,831	3,428,960	213	38	29	13	5	177	48	27
1916	532	62,680	4,964,520	215	35	40	13	5	174	28	24
1917	801	112,469	7,189,454	237	39	57	31	10	373	22	32
1918	1,121	168,358	8,868,751	255	59	71	44	14	572	22	84
1919	1,428	235,000a	15,000,000a	—	—	—	—	—	982	—	—
1920	1,558	207,758	17,815,096	222	61	57	31	10	1,113	18	46
1921	1,460	145,094	14,002,365	202	60	48	38	—	1,054	58	—
1922b	1,079	176,715	11,352,171	101	38	40	30	—	824	46	—

(a) Estimated.

(b) For England alone.

The Report of the Society for the financial year ending March 31, 1923, gives the following statement of income :—

	£	s.	d.
Government Grant .. .. .	2,931	6	9
do. (Small Holdings) .. .. .	679	12	11
Affiliation Fees (Farmers) .. .. .	1,101	11	6
do. (Small Holdings) .. .. .	708	1	4
Subscriptions .. .. .	633	4	6

The constructive work of the A.O.S. during the year of its last report was largely taken up in the development of co-operative bacon factories, a development which has proceeded on carefully considered lines and with every regard to the difficulties with which the movement may be faced. The following account of it is taken from the report :—

“Probably there has been no instance in the history of agricultural co-operation in this country where there has been such a universal demand, emanating from farmers themselves and not imposed upon them from any outside source, as this desire to explore the possibilities of establishing co-operative bacon factories. This demand was undoubtedly influenced by the following factors :—

- (1) The success achieved by other Co-operative Bacon Factories, namely, the St. Edmundsbury Co-operative Bacon Factory, Ltd., the Hampshire Farmers' Abattoirs and Bacon Factory, Ltd., and the Herts. Co-operative Bacon Factory, Ltd.
- (2) The growing interest in pig production on modern lines throughout the country.
- (3) The enormous value of pig products imported into Great Britain from abroad.
- (4) The steady increase since 1918 in the number of pigs in Great Britain.

"It became apparent early in 1922 that there was an imminent danger of Co-operative Bacon Factories being established indiscriminately all over the country, and of the business attempting to expand without due regard to pig population or the mutual interests of farmers in defined areas. Suggestions to establish factories were received from many different parts of the country, some of which, if acted upon, could only have resulted in disaster, and many of which only required to be fitted in with the preconceived scheme in order to bring them to fruition. Bodies of farmers in certain areas were discouraged from commencing at all, in others they were brought into touch with other bodies of farmers with whom they could co-operate to mutual advantage, and so slowly but gradually a scheme was evolved embracing a network of Societies all over the country, none of which could, by any conceivable means, act detrimentally to others, and so situated that an adequate pig population within an economic railing distance was available to each.

"In June, 1922, seven counties were operated over by three Societies; by December, 1923, six Societies will be serving fifteen counties, and there is every possibility that within a further twelve months twenty-four counties will be served by ten Societies.

"The total capital involved in this development at the present time is, in round figures, £120,000, of which £63,000 has been subscribed during the last nine months. The number of farmers interested is approximately 4,000, and by the end of 1924, if present plans develop, it is estimated that approximately 200,000 pigs per annum will be handled through farmer-owned and controlled Societies."

The following is a summary of the movement, with statistical tables, showing the main operations of the societies during the year, 1922 :—

#### *Northern Area.*

The Northern Area embraces the counties of Northumberland, Durham, Yorkshire, Lincolnshire, Cumberland, Westmorland, Lancashire and Cheshire.

From an examination of the figures given in the statistical table it will be seen that agricultural co-operation has got a better grip on the North of England than in any other part of the country.

In none of the counties in the area is it possible to say that there is room for the formation of more than one or two new societies for the purchase of requirements. This branch of co-operation is well covered by existing societies, but there is still plenty of room for an extension of the work of many of the existing societies on more intensive lines.

Turning to the other side of agricultural co-operation—that concerned with produce—it is found that nearly every branch of organised sale of produce is represented in the area. Successful societies for the sale of milk and dairy produce operate in Northumberland, Yorkshire, Westmorland and Cheshire. Cattle auction marts conducted by distinct societies, or as a branch of a purchase of requirements society, are working in Northumberland and Yorkshire.

Lincolnshire has registered a co-operative bacon factory, which has received considerable support. Co-operative slaughterhouses are working successfully in Northumberland and Durham. Societies to meet the special needs of poultry keepers exist in Durham, Lincolnshire, Westmorland and Lancashire.

Throughout this area a special effort has been made by the local organiser to bring about inter-trading between societies, especially in respect of grain. Societies in grain exporting areas are put in touch with societies in areas where the supply does not meet local requirements, and a considerable inter-trading business has developed as a result of these efforts. It is in organisation for the sale of produce that the greatest opportunity exists for the expansion of the co-operative movement in the northern counties.

#### *Midland Area.*

The Midland Area takes in the counties of Nottingham, Derby, Leicester, Stafford, Shropshire, Hereford, Worcester, Gloucester and Warwick.

Greater progress has been made in this area than in any other with regard to organised sale of produce. This is largely due to the agricultural conditions prevailing in the different counties. The important dairying district embraced by the counties of Derby, Leicester and part of Stafford, and the similar district covered by Herefordshire, Gloucestershire and Shropshire offers a good field for dairy organisation. In all these counties societies exist for handling milk and for converting milk into cheese, and the total quantity of milk handled is sufficient to exercise an appreciable effect when contract prices are being arranged.

In the counties of Stafford, Leicester and Warwick successful co-operative cattle marts and in being, and in the counties of Gloucester, Worcester and Warwick auction marts have been formed for the sale of fruit and vegetables. Co-operative slaughterhouses are working in Gloucestershire, and Herefordshire can show a successful society for the sale of graded wool.

The purchase of requirements is undertaken by one or more societies in each county, and the particular needs of the poultry industry are also fairly well catered for by special societies.

#### *Southern and Eastern Area.*

The Southern and Eastern Area comprises the counties of Norfolk, Suffolk, Essex, Cambridge, Hertford, Bedford, Berkshire, Buckingham, Oxford, Kent, Surrey, Sussex, and Northampton.

The total trading turnover of Suffolk, Essex, Norfolk and Cambridge, is approximately two and a half million sterling, or practically one-seventh of the total turnover of England and Wales. In spite of this,

much remains to be done, and there are already indications of a reviving interest in the possibilities of dairying co-operation and most certainly scope for the formation of fruit and vegetable societies.

Kent, Surrey and Sussex require attention, although the first named county, with its large trading society, its successful wool society and well capitalised bacon factory which will shortly commence operations, goes to prove that the co-operative spirit is prevalent. There is urgent need for expansion in co-operative dairying, more particularly in Surrey and Sussex, where only two small societies are operating. Sussex, of all counties in England, stands the most in need of efficiently conducted farmers' societies. The successful trading society in Oxfordshire will undoubtedly be the means of spreading interest in the advantages to be gained through co-operative effort, and it is anticipated that, as a result of its activities and successful administration, the movement will become stabilised in Berks, Bucks, and Oxon. Growing interest is being taken in these three counties in the possibilities offered to farmers by co-operatively retailing milk direct to the consumer.

Bedfordshire and Hertfordshire have not as yet experienced any co-operative development to speak of, although a successful bacon factory operates the two counties and a model retail dairy society is established at Harpenden.

#### *South-Western Area.*

This Area comprises the counties of Wilts, Hants, Dorset, Isle of Wight, Somerset, Devon and Cornwall.

A successful co-operative milling society is working in Wiltshire. In each of the other societies in the South-Western Area well-established farmers' trading societies are working, capable of meeting all demands in respect of purchase of requirements.

Hampshire, in addition to a large trading society operating over the whole county, has a number of small societies confining themselves to local areas. Devon, for ordinary trading purposes, is divided between four societies, the managers of which meet frequently for consultation. Cornwall is served by the Cornwall Farmers, Ltd., a co-operative society formed to take over the business of several private firms.

There is a highly successful co-operative abattoir and bacon factory in Hants. Dorset and Somerset have each a large, successful and growing dairy society, supplying the London market. The dairy requirements of Cornwall are met by the operations of five societies which have not yet attained a reasonable measure of success, and should take advantage of the efforts which have been made to federate them for trading purposes. The needs of poultry keepers are met by several egg and poultry societies situated in different parts of the area.

The Tamar Valley fruit-growing district of Cornwall, the fruit district of Hants and Dorset have fruit and market garden societies organising the sale of fruit and market garden produce. In addition, there are two co-operative chip basket manufacturing societies supplying baskets for the fruit growers respectively of the Tamar Valley (Cornwall) and the Swanwick (Hants) fruit growers. Miscellaneous societies in the area comprise a co-operative milling society, threshing societies, and a transport society.

A summary of the operations of the agricultural co-operative societies of England by counties for the year 1922 is given in the following table :—

AGRICULTURAL CO-OPERATIVE SOCIETIES AFFILIATED TO THE A.O.S.

SUMMARY FOR THE YEAR, 1922

FARMERS' CO-OPERATIVE TRADING SOCIETIES.

COUNTY.	REQUIREMENTS.				
	No. of Societies.	Membership.	TURNOVER.		
			Agricultural Requirements.	Sale of Produce.	Total.
ENGLAND.			£	£	£
Bedfordshire .. .. .	—	—	—	—	—
Berkshire .. .. .	1	322	43,137	31,063	74,200
Buckinghamshire .. .. .	3	372	18,250	4,655	22,905
Cambridgeshire .. .. .	—	—	—	—	—
Cheshire .. .. .	5	2,155	738,292	—	338,292
Cornwall .. .. .	1	499	180,774	—	180,774
Cumberland .. .. .	3	868	132,167	1,623	133,790
Derbyshire .. .. .	1	97	475	—	475
Devonshire .. .. .	4	1,665	143,393	47,540	190,942
Dorsetshire .. .. .	1	1,174	204,429	1,683	206,112
Durham .. .. .	3	1,369	251,040	38,120	289,160
Essex .. .. .	3	772	162,838	43,872	206,710
Gloucestershire .. .. .	5	1,980	177,420	2,294	179,714
Hampshire .. .. .	8	1,968	591,276	17,914	609,190
Herefordshire .. .. .	3	580	109,800	17,398	126,198
Hertfordshire .. .. .	—	—	—	—	—
Huntingdonshire .. .. .	—	—	—	—	—
Kent .. .. .	—	—	—	—	—
Lancashire .. .. .	9	3,195	613,596	76,494	690,090
Leicestershire .. .. .	1	46	1,362	—	1,362
Lincolnshire .. .. .	1	374	46,042	—	46,042
Middlesex .. .. .	1	758	3,884	30	3,914
Norfolk .. .. .	—	—	—	—	—
Northamptonshire .. .. .	1	473	194,544	—	194,544
Northumberland .. .. .	1	291	83,520	22,783	106,303
Nottinghamshire .. .. .	3	1,118	148,933	48,349	197,182
Oxfordshire .. .. .	1	306	50,015	—	50,015
Rutland .. .. .	—	—	—	—	—
Shropshire .. .. .	3	1,531	141,589	81,724	223,313
Somersetshire .. .. .	1	260	—	58,473	58,473
Staffordshire .. .. .	2	1,723	253,446	389,331	641,777
Suffolk .. .. .	1	3,146	531,900	498,803	1,030,703
Surrey .. .. .	4	764	68,092	—	68,092
Sussex .. .. .	1	586	8,767	—	8,767
Warwickshire .. .. .	1	490	49,897	—	49,897
Westmorland .. .. .	1	576	120,258	31,232	151,490
Wiltshire .. .. .	3	98	1,126	—	1,126
Worcestershire .. .. .	1	722	41,596	39,696	81,292
Yorkshire .. .. .	24	5,459	639,050	361,924	1,000,974
TOTAL—England .. .. .	101	35,741	5,259,808	1,814,010	7,073,818



# AGRICULTURAL CO-OPERATIVE SOCIETIES AFFILIATED TO THE A.O.S.

## SUMMARY FOR THE YEAR, 1922—*cont.*

### FARMERS' CO-OPERATIVE TRADING SOCIETIES.

COUNTY.	DAIRY.					EGG AND POULTRY.				
	No. of Societies.	Member-ship.	TURNOVER.			No. of Societies.	Member-ship.	TURNOVER.		
			Agri-cultural Require-ments.	Sale of Produce.	Total.			Agri-cultural Require-ments.	Sale of Produce.	Total.
ENGLAND.			£	£	£			£	£	£
Bedfordshire ..	—	—	—	—	—	—	—	—	—	—
Berkshire ..	—	—	—	—	—	—	—	—	—	—
Buckinghamshire ..	2	103	—	3,241	3,241	1	14	80	153	233
Cambridgeshire ..	1	161	—	22,385	22,385	—	—	—	—	—
Cheshire ..	5	463	15,320	42,142	57,468	2	176	44	3,106	3,150
Cornwall ..	—	—	—	—	—	—	—	—	—	—
Cumberland ..	3	1,542	46,438	208,557	252,995	1	448	7,120	—	7,120
Derbyshire ..	—	—	—	—	—	1	138	1,657	6,960	8,617
Devonshire ..	1	486	—	170,000	170,000	2	193	—	9,623	9,623
Dorsetshire ..	—	—	—	—	—	—	—	—	—	—
Durham ..	—	—	—	—	—	—	—	—	—	—
Essex ..	—	—	—	—	—	—	—	—	—	—
Gloucestershire ..	1	383	—	39,760	39,760	—	—	—	—	—
Hampshire ..	—	—	—	—	—	2	164	8,612	—	8,612
Herefordshire ..	1	260	31,631	6,050	37,681	—	—	—	—	—
Hertfordshire ..	1	12	—	16,960	16,960	—	—	—	—	—
Huntingdonshire ..	—	—	—	—	—	—	—	—	—	—
Kent ..	—	—	—	—	—	—	—	—	—	—
Lancashire ..	2	66	—	67,007	67,007	8	662	23,507	—	23,507
Leicestershire ..	6	992	59,453	269,284	328,737	—	—	—	—	—
Lincolnshire ..	—	—	—	—	—	1	399	200	9,855	10,055
Middlesex ..	—	—	—	—	—	3	681	1,673	14,207	16,080
Norfolk ..	—	—	—	—	—	—	—	—	—	—
Northamptonshire ..	—	—	—	—	—	—	—	—	—	—
Northumberland ..	2	450	5,878	23,773	29,651	—	—	—	—	—
Nottinghamshire ..	1	48	—	16,987	16,987	—	—	—	—	—
Oxfordshire ..	1	10	—	1,925	1,925	1	127	—	1,511	1,511
Rutland ..	—	—	—	—	—	—	—	—	—	—
Shropshire ..	—	—	—	—	—	1	134	3,077	3,229	6,306
Somersetshire ..	2	398	—	185,327	185,327	3	1,881	18,243	37,577	55,820
Staffordshire ..	2	54	—	12,985	12,985	1	80	—	2,303	2,303
Suffolk ..	—	—	—	—	—	1	5,242	—	194,804	194,804
Surrey ..	—	—	—	—	—	—	—	—	—	—
Sussex ..	3	148	—	36,450	36,450	2	145	6,662	362	7,024
Warwickshire ..	1	185	—	72,464	72,464	—	—	—	—	—
Westmorland ..	—	—	—	—	—	1	108	—	727	727
Wiltshire ..	—	—	—	—	—	1	478	—	18,502	18,502
Worcestershire ..	—	—	—	—	—	—	—	—	—	—
Yorkshire ..	3	138	14,110	8,545	22,654	8	839	17,283	—	17,283
TOTAL—England ..	38	5,904	172,845	1,201,932	1,374,677	40	11,809	88,358	302,919	391,277

# AGRICULTURAL CO-OPERATIVE SOCIETIES AFFILIATED TO THE A.O.S.

## SUMMARY FOR THE YEAR, 1922—cont.

### FARMERS' CO-OPERATIVE TRADING SOCIETIES.

COUNTY.	AUCTION MART, SLAUGHTERHOUSE AND MARKET GARDEN PRODUCE.					* MISCELLANEOUS.				
	No. of Socie- ties.	Member- ship.	TURNOVER.			No. of Socie- ties.	Member- ship.	TURNOVER.		
			Agri- cultural Require- ments.	Sale of Produce.	Total.			Agri- cultural Require- ments.	Sale of Produce.	Total.
ENGLAND.			£	£	£			£	£	£
Hedfordshire	—	—	—	—	—	—	—	—	—	—
Berkshire	1	44	—	7,750	7,750	—	—	—	—	—
Buckinghamshire	—	—	—	—	—	2	35	—	—	68
Cambridgeshire	—	—	—	—	—	—	—	—	—	—
Cheshire	—	—	—	—	—	—	—	—	—	—
Cornwall	2	141	1,276	5,420	6,696	4	194	—	—	9,602
Cumberland	—	—	—	—	—	—	—	—	—	—
Derbyshire	—	—	—	—	—	1	19	—	—	223
Devonshire	1	18	—	53,322	53,322	2	—	—	—	—
Dorsetshire	—	—	—	—	—	—	—	—	—	—
Durham	—	—	—	—	—	—	—	—	—	—
Essex	—	—	—	—	—	3	43	—	—	—
Gloucestershire	6	540	2,484	125,343	127,827	—	—	—	—	—
Hampshire	1	242	—	99,466	99,466	4	577	11,063	—	11,743
Herefordshire	—	—	—	—	—	1	66	—	3,006	3,006
Hertfordshire	—	—	—	—	—	1	15	—	—	130
Huntingdonshire	—	—	—	—	—	—	—	—	—	—
Kent	1	589	73,500	349,624	423,223	1	160	—	16,501	16,501
Lancashire	1	265	3,196	—	3,198	—	—	—	—	—
Leicestershire	1	444	—	138,170	138,170	3	54	—	—	160
Lincolnshire	—	—	—	—	—	3	92	—	—	300
Middlesex	—	—	—	—	—	5	5,509	20,953	465,415	506,758
Norfolk	1	39	—	2,902	2,902	1	38	—	—	—
Northamptonshire	—	—	—	—	—	1	45	—	—	375
Northumberland	1	53	—	58,942	58,942	—	—	—	—	—
Nottinghamshire	—	—	—	—	—	—	20	—	—	1,461
Oxfordshire	—	—	—	—	—	2	530	—	—	—
Rutland	—	—	—	—	—	1	—	—	—	—
Shropshire	—	—	—	—	—	—	—	395	—	395
Somersetshire	2	280	—	—	—	2	—	—	—	—
Staffordshire	—	—	—	—	—	—	—	—	—	—
Suffolk	1	1,480	—	495,195	495,195	4	105	—	523	4,210
Surrey	1	43	—	14,280	14,280	2	18	—	—	22
Sussex	2	829	—	3,123	3,123	—	—	—	—	—
Warwickshire	3	343	—	115,202	115,202	—	—	—	—	—
Westmorland	—	—	—	—	—	—	—	—	—	—
Wiltshire	1	58	5,676	—	5,676	—	—	—	—	—
Worcestershire	2	826	3,561	99,082	101,643	1	10	—	—	12
Yorkshire	3	526	—	82,602	82,602	2	123	—	—	1,407
TOTAL— England	30	6,010	80,794	1,693,182	1,783,277	46	7,675	33,011	465,445	550,373

# AGRICULTURAL CO-OPERATIVE SOCIETIES AFFILIATED TO THE A.O.S.

## SUMMARY FOR THE YEAR, 1922—*cont.*

### FARMERS' CO-OPERATIVE TRADING SOCIETIES.

COUNTY.	TOTAL.				
	No. of Societies.	Membership.	TURNOVER.		
			Agricultural Requirements.	Sale of Produce.	Total.
ENGLAND.			£	£	£
Bedfordshire .. .. .	—	—	—	—	—
Berkshire .. .. .	2	366	43,137	38,813	81,950
Buckinghamshire .. .. .	8	529	18,330	8,049	26,447
Cambridgeshire .. .. .	—	—	—	—	—
Cheshire .. .. .	6	2,316	338,292	22,385	360,677
Cornwall .. .. .	14	1,473	197,420	50,668	257,680
Cumberland .. .. .	3	804	132,167	1,623	133,790
Derbyshire .. .. .	6	2,106	54,033	206,557	260,513
Devonshire .. .. .	8	1,991	146,050	112,831	257,881
Dorsetshire .. .. .	4	1,353	204,429	181,306	385,735
Durham .. .. .	3	1,369	251,040	38,120	289,160
Essex .. .. .	6	815	162,838	43,872	206,710
Gloucestershire .. .. .	11	2,903	179,904	167,387	347,291
Hampshire .. .. .	15	2,951	611,551	117,380	729,011
Herefordshire .. .. .	5	906	140,431	26,454	166,885
Hertfordshire .. .. .	2	27	—	16,960	17,090
Huntingdonshire .. .. .	—	—	—	—	—
Kent .. .. .	2	749	73,599	365,125	438,724
Lancashire .. .. .	20	4,098	640,301	143,501	783,802
Leicestershire .. .. .	11	1,536	60,815	457,454	518,429
Lincolnshire .. .. .	5	849	46,242	9,855	56,397
Middlesex .. .. .	9	6,948	26,710	479,652	526,752
Norfolk .. .. .	2	77	—	2,902	2,962
Northamptonshire .. .. .	2	518	104,544	—	104,919
Northumberland .. .. .	4	794	89,398	105,428	194,896
Nottinghamshire .. .. .	6	1,186	143,833	65,336	215,630
Oxfordshire .. .. .	4	973	50,015	3,436	53,451
Rutland .. .. .	—	—	—	—	—
Shropshire .. .. .	6	1,687	145,061	84,953	230,014
Somersetshire .. .. .	8	2,828	18,243	281,377	299,620
Staffordshire .. .. .	5	1,867	253,446	403,610	657,065
Suffolk .. .. .	7	9,953	531,000	1,179,325	1,714,912
Surrey .. .. .	7	825	68,092	14,250	82,394
Sussex .. .. .	8	1,708	15,420	39,935	55,364
Warwickshire .. .. .	5	1,018	49,897	187,666	237,563
Westmorland .. .. .	2	684	129,258	31,959	162,217
Wiltshire .. .. .	5	634	6,802	18,502	25,304
Worcestershire .. .. .	4	1,558	45,167	137,778	182,947
Yorkshire .. .. .	40	7,085	670,462	455,071	1,124,930
TOTAL—England .. .. .	255	68,048	5,643,816	5,497,630	11,179,422

# AGRICULTURAL CO-OPERATIVE SOCIETIES AFFILIATED TO THE A.O.S.

## SUMMARY FOR THE YEAR, 1922—*cont.*

### FARMERS' CO-OPERATIVE TRADING SOCIETIES.

COUNTY.	SMALL HOLDINGS AND ALLOTMENTS.			GRAND TOTAL.		
	No. of Societies	Membership.	Turnover.	No. of Societies.	No. of Members.	Turnover.
ENGLAND.			£			£
Bedfordshire ..	16	2,323	9,633	16	2,323	9,633
Berkshire ..	6	2,235	2,321	6	2,601	84,271
Buckinghamshire ..	13	1,171	601	21	1,700	27,046
Cambridgeshire ..	24	2,632	10,712	24	2,932	10,712
Cheshire ..	14	2,155	894	20	4,471	351,571
Cornwall ..	2	117	9	16	1,590	257,600
Cumberland ..	—	—	—	3	868	133,700
Derbyshire ..	36	3,062	1,416	42	6,068	262,220
Devonshire ..	13	1,976	772	21	3,967	258,663
Dorsetshire ..	11	1,758	600	16	3,611	386,431
Durham ..	50	7,163	4,025	59	8,532	293,185
Essex ..	13	1,965	9,351	19	2,780	216,061
Houcestershire ..	33	9,924	19,025	44	12,527	366,316
Hampshire ..	19	3,647	19,215	34	6,593	748,228
Herefordshire ..	1	110	94	6	1,018	166,979
Hertfordshire ..	22	2,270	879	24	2,297	17,969
Huntingdonshire ..	6	411	1,624	6	411	1,624
Kent ..	6	146	4,026	8	695	442,752
Lancashire ..	41	7,710	11,161	61	11,792	794,963
Leicestershire ..	30	2,657	2,212	41	4,193	520,642
Lincolnshire ..	26	1,225	2,860	31	2,694	59,286
Middlesex ..	30	5,473	3,209	39	12,421	528,961
Norfolk ..	9	428	14,921	11	505	17,883
Northamptonshire ..	41	4,089	1,603	43	4,607	106,522
Northumberland ..	20	3,068	1,079	24	3,662	195,976
Nottinghamshire ..	26	3,014	1,495	32	4,230	217,123
Oxfordshire ..	9	588	1,926	13	1,561	55,377
Rutland ..	1	109	79	1	109	79
Shropshire ..	7	215	5,559	13	1,902	235,573
Somersetshire ..	30	6,121	2,529	38	8,949	302,140
Staffordshire ..	41	4,050	1,795	46	6,507	658,860
Suffolk ..	10	1,994	828	17	11,947	1,715,740
Surrey ..	9	1,400	892	16	2,234	83,226
Sussex ..	8	164	218	16	1,872	65,582
Warwickshire ..	96	10,479	9,482	101	11,497	247,645
Westmorland ..	1	62	—	3	746	152,217
Wiltshire ..	9	2,278	1,095	14	2,912	26,399
Worcestershire ..	11	553	1,810	15	2,111	184,757
Yorkshire ..	78	8,086	22,673	118	15,171	1,147,603
TOTAL—England ..	824	108,667	172,749	1,079	176,715	11,352,171

The chief difficulties encountered in extending the movement in England are stated to be :—

1. Disinclination to adopt new methods.
2. Lack of whole-hearted support from the farming community generally.
3. Want of loyalty of members.
4. The scale of operations of individual societies too small, and little effort made by even the most successful societies to form federations.
5. Difficulty of raising sufficient capital from the farming community.
6. Inadequate control by committees of societies.
7. Failure to employ first-class managers.
8. Absence of binding contracts between members and societies and between societies and federations.
9. Little effort made to grade and maintain quality of produce.
10. Too much dependence on middlemen by existing societies.

The attitude of the principal farmers' organisation, the National Farmers' Union, toward the co-operative movement, is set out in the following extract from the speech of the Chairman at the annual meeting of the Union held on January 16th, 1924 :—

"The experience of the Union has so far shown them that they could best help their members by dealing collectively with other interests, but they were free to assist their members in advancing along co-operative lines wherever such a course looked likely to lead to success ; and in this respect, if the Agricultural Organisation Society, which had had years of experience, and received considerable subsidies from the State, could show them any locality where some clearly defined and specific co-operative undertaking could flourish, they would welcome the information and would not hesitate to try to interest their members in it. (Hear, hear.) \* What they were not prepared to do was to advise their members to follow every co-operative will-o'-the-wisp. (Cheers.) Such measure of success as co-operation was likely to enjoy would be found where the movement was spontaneous, the project business and not philanthropy, and where the atmosphere was free from any suggestion of patronage or politics."

In the case of practically all agricultural colleges and farm institutes in England and Wales, agricultural economics has an important place in the training provided, and this subject usually includes the study of co-operation generally, and particularly in relation to the marketing and disposal of agricultural produce.

Facilities for co-operative insurance are available through the Agricultural and General Co-operative Insurance Society, Ltd., which is affiliated to the Agricultural Organisation Society.

Credit facilities on a co-operative basis are now provided by the Agricultural Credits Act, 1923. The method provided by the Act involves the establishment of Agricultural Credit Societies, which are financed partly by the paid-up capital on shares taken by members, and partly by money advanced by the State. The total sum advanced by the Government to any Society is limited to an amount equal to one pound for every pound share held by members of the Society on which a sum of 5s. has been paid. The advances made to members of a society are limited by the Act so that an advance to any member shall not exceed one-tenth part of the share capital of the society, or more than an amount equal to £5 for every £1 share held by the member on which a sum of 5s. has been paid. Thus, in a society with 2,000 shares, the amount of a loan to any one member could not exceed £200, while in order to be eligible to borrow £200 the member in question would have to hold as a

minimum qualification 40 shares on which 5s. each had been paid ; that is to say, he would have to contribute £10 to the funds of the society.

The Agricultural Wholesale Society, Ltd. (48, Mark Lane, E.C.3), is the wholesale trading federation of agricultural Co-operative Societies in England and Wales, so far as these societies are concerned with the supply of farmers' requirements. Co-operative societies for the marketing of agricultural produce have advanced but little way toward effective federation. Regional and commodity federation has made practically no progress as yet. A federation of the Fruit and Market Garden Societies in the counties of Worcester, Gloucester and Warwick has recently been brought into being, but so far has not engaged in trade. Negotiations are well advanced for the formation of a central selling agency for the co-operative Bacon Factories.

Other agencies which are having a notable influence upon rural life in England, and therefore may be expected to take their part in the encouragement and promotion of that form of rural business organisation upon which depends the future welfare of the agricultural community, are the Women's Institutes and the Young Farmers' Clubs. The Young Farmers' Clubs movement had its origin in America and was introduced into England by the *Daily Mail*. The first English club was founded in 1921 at Hemyock, Devon, by the United Dairies, Ltd., and thirty-six other clubs have since been formed. The age of members (boys and girls) ranges between 10 and 18. The primary object of the clubs is improvement in the technical work of stock and crop raising, but club membership constitutes a most effective training not only in farm practice but in business methods and in social intercourse.

#### WALES.

A statistical summary of the operations of agricultural co-operative societies in Wales during the year 1922, furnished by the Welsh Agricultural Organisation Society, will be found on the following pages.

## NORTH WALES.

County.	Socie- ties.	Members.	Capital.	SALES.		TOTALS.
				Requirments.	Produce.	
ANGLESEY.			£	£	£	£
Agric. .. .. .	5	1,235	1,992	35,089	—	35,089
Dairy .. .. .	2	42	543	—	835	835
Miscell. .. .. .	3	146	1,220	120	324	443
Egg Coll. .. .. .	1	769	1,630	—	20,666	20,666
	11	2,192	5,425	35,209	21,824	57,033
CARNARVON.						
Agric. .. .. .	6	1,657	7,871	72,657	6,403	79,060
Miscell. .. .. .	3	275	1,386	1,446	3,557	5,003
	9	1,832	9,257	74,103	9,960	84,063
DENBIGH.						
Agric. .. .. .	7	1,525	16,385	99,420	—	99,420
Dairy .. .. .	8	275	4,012	—	16,245	16,245
Poultry .. .. .	1	70	77	—	219	219
	16	1,807	20,474	99,420	16,464	115,884
FLINTSHIRE.						
Agric. .. .. .	5	1,316	15,653	88,988	—	88,988
Dairy .. .. .	5	161	1,563	—	6,750	5,750
	10	1,477	17,216	88,988	6,750	94,738
MONTGOMERY.						
Agric. .. .. .	2	717	9,115	56,572	—	56,572
Dairy .. .. .	1	10	61	—	639	639
Electric. ....	1	31	1,255	437	—	437
	4	758	10,451	57,009	639	57,648
MERIONETH.						
Agric. .. .. .	11	1,917	2,560	71,403	2,112	73,515

## SUMMARY.

		Members.	Capital.	SALES.		TOTAL.
				Requirments.	Produce.	
Societies .. .. .	61	9,983	65,383	426,132	56,749	482,881

## AFFILIATION FEES, 1922.

County.	No. of Societies.	No. of Societies Paid.	AMOUNT.
Anglesey .. .. .	11	5	£ 20 1 6
Carnarvonshire .. .. .	9	4	21 3 3
Denbighshire .. .. .	16	6	11 8 0
Flintshire .. .. .	10	2	12 1 0
Montgomeryshire .. .. .	4	1	1 0 0
Merionethshire .. .. .	11	3	11 0 0
6	61	21	76 13 9

## SOUTH WALES.

County.	Socie- ties.	Members.	Capital.	SALES.		TOTAL.
				Requirements.	Produce.	
BRECON. Agric. .. ' .. ..	3	551	£ 8,051	£ 49,318	£ —	£ 49,318
CARDIGAN. Agric. .. .. .	11	3,352	4,613	135,655	8,965	144,620
Marts. .. .. .	2	157	342	—	14,530	14,530
	13	3,509	4,955	135,655	23,495	159,150
CARMARTHEN. Agric. .. .. .	9	5,432	48,910	364,965	24,018	388,983
Dairy .. .. .	4	732	9,506	—	37,476	37,476
Marts. .. .. .	1	293	293	(est.)	10,000	10,000
	14	6,457	53,709	364,965	71,494	436,459
GLAMORGAN. Agric. .. .. .	11	1,871	6,540	76,235	—	76,235
Slaughterhouse ..	1	169	818	—	69,500	69,500
	12	2,040	7,358	76,235	69,500	145,735
MONMOUTH. Agric. .. .. .	4	506	26,047	85,321	—	85,321
PEMBRKE. Agric. .. .. .	5	1,783	1,501	103,313	—	103,313
Eggs .. .. .	2	285	185	—	4,810	4,810
Threshing .. ..	1	21	288	100	—	100
	8	2,089	1,972	103,413	4,810	108,223
BANGOR. Agric. .. .. .	2	235	1,205	11,180	—	11,180

## SUMMARY.

	Socie- ties.	Members.	Capital.	SALES.		TOTAL.
				Requirements.	Produce.	
North Wales .. .	61	9,983	65,383	420,132	56,749	482,881
South Wales .. .	56	15,387	103,297	826,587	169,290	995,886
WALES .. .. .	117	25,370	168,880	1,252,719	226,048	1,478,767

## AFFILIATION FEES, 1922.

County.	No. of Societies.	No. of Societies Paid.	AMOUNT.
SOUTH WALES			£ s. d.
Breconshire .. .. .	3	1	5 0 0
Cardiganshire .. .. .	13	5	36 4 10
Cardiganshire .. .. .	14	9	267 12 0
Glamorganshire .. .. .	12	8	58 12 0
Monmouthshire .. .. .	4	—	—
Pembrokeshire .. .. .	8	5	22 1 0
Radnorshire .. .. .	2	1	5 0 0
	7		
NORTH WALES .. .. .	61	29	394 9 10
	6	21	76 13 9
WALES .. .. .	117	50	471 3 7



## IRELAND.

The agricultural co-operative movement in Ireland was initiated by Sir Horace Plunkett in 1889. The central body responsible for general propaganda and organisation is the Irish Agricultural Organisation Society, founded 1894, The Plunkett House, Dublin.

The Society is supported by the affiliation fees and subscriptions of the primary societies and individuals, on which the State grant, arising out of the United Kingdom Development Fund and continued by the Free State Government, has been paid annually since 1913. The basis of payment at present is 13s. 4d. in the £ from the State upon each £1 subscribed by the affiliated societies. There are a few co-operative societies of various kinds in the Free State not affiliated to the I.A.O.S., but so far as is known there is no federation of such societies.

The progress of the movement is shown in the following table, taken from the latest available complete report published by the I.A.O.S. :—

Year.	Number of Societies.	Butter Sales, etc.	Banks. Total Loans granted.	General Turnover.	Total Turnover.
		£	£	£	£
1889	1	4,363	—	—	4,363
1890	1	8,500	—	—	8,500
1891	17	50,382	—	—	50,382
1892	25	98,969	—	—	98,969
1893	30	140,780	—	—	140,780
1894	33	151,852	—	—	151,852
1895	76	184,947	—	—	184,947
1896	104 (Includes Agency Society)	377,695	388	57,822	435,905
1897	148 (No figures for Agency Society)	322,344	475	76,134	398,953
1898	243	401,771	3,306	270,346	675,423
1899	424	572,963	5,550	331,874	910,387
1900	477	703,826	7,270	327,781	1,038,877
1901	564	809,144	10,357	363,079	1,182,580
1902	706	885,892	16,480	340,175	1,242,477
1903	840	984,066	20,435	406,546	1,391,047
1904	778	1,089,620	31,742	410,958	1,532,320
1905	835 (No figures for Agency Society)	1,195,486	43,641	238,411	1,477,538
1906	873 (No figures for Agency Society)	1,457,040	50,264	307,145	1,814,449
1907	913 (No figures for Agency Society)	1,574,083	53,112	390,428	2,017,623
1908	881	1,666,596	56,004	529,780	2,252,380
1909	835	1,757,969	57,440	578,860	2,394,469
1910	880	1,905,334	55,855	630,370	2,589,559
1911	934	1,909,314	56,055	702,114	2,666,483
1912	947	2,268,902	58,244	878,043	3,205,189
1913	985	2,323,441	55,492	954,256	3,333,189
1914	1023	2,502,545	52,926	1,113,487	3,668,958
1915	991	3,167,686	48,196	1,441,154	4,657,039
1916	958	3,871,583	41,281	2,187,011	6,099,880
1917	938	4,273,789	41,993	3,255,656	7,574,438
1918	950	5,939,496	33,453	3,114,719	9,087,668
1919	1028	7,047,079	33,884	4,029,879	11,154,883
1920	1114	8,247,836	30,362	6,326,654	14,604,852
1921	1015	4,650,770	36,543	5,584,903	10,272,216
		62,523,028	900,898	34,854,585	98,274,555

During 1920 and 1921, it will be remembered, the normal rural life of Ireland was disturbed by the violent phase of Mr. Lloyd George's Irish policy, in the prosecution of which a number of co-operative creameries were destroyed. Nine societies suspended business in 1922 as a result of these vindictive operations, and sixteen dairy societies also ceased working. The further demoralisation of the country by internal dissension, combined with the economic depression of agricultural markets, even more seriously reduced the activities of the movement.

In its report for the year ending March 31, 1923, covering the operations of the calendar year of 1922, the I.A.O.S. had to state that only 551 societies had presented complete reports. There were 82 active societies which failed to furnish returns, and 247 trading societies and 55 credit societies "for which figures could not be either obtained or estimated, a large number of which are either moribund or have ceased to exist." For this reason no accurate statistics, such as those which have been published in previous years, could be presented with the report. A careful estimate of turnover, however, showed a decrease of only 12 per cent. as compared with the previous year, which in view of the economic, social and political unsettlement of the country was remarkably small.

Political changes in Ireland have brought about a superficial division of the co-operative movement which was in the circumstances unavoidable. Since the creation of the Irish Free State the I.A.O.S. has received the State grant from that government, and as no funds contributed by it could be spent outside the area of the Free State, a special organisation, the Ulster Agricultural Organisation Society, was formed to take over the work of the six Northern counties as from August 31st, 1922. These counties are, however, included in the following estimates of turnover given here for comparison with the actual turnover of 1921 :—

	1921.	1922.
	£	£
Creameries .. .. .	5,661,518	5,418,049
Agricultural Societies .. .. .	2,041,280	1,610,632
Poultry Societies .. .. .	177,282	151,750
Flax Societies .. .. .	22,340	18,234
Miscellaneous .. .. .	616,861	438,642

At the end of 1921, the last year for which complete statistics are available, the 1,015 societies affiliated to the I.A.O.S. had a total membership of 152,594. They were classified as follows :—

Class of Society.	Number of Societies.	Member- ship.	Paid-up Share Capital.	Loan Capital.	Turnover.
			£	£	£
Dairy .. .. .	339	49,959	205,848	480,331	5,661,518
Agricultural .. .. .	393	66,831	245,932	410,011	2,041,290
Credit and Agricultural Banks .. .. .	112	8,584	—	73,349	36,543
Poultry Keepers .. .. .	10	3,188	1,878	4,615	177,282
Miscellaneous .. .. .	51	19,205	328,784	223,464	616,861
Flax .. .. .	37	3,508	37,055	36,023	22,340
Farming .. .. .	71	801	1,033	204,503	—
Federations .. .. .	2	518	47,654	158,031	1,716,386
	1,015	152,594	868,214	1,540,327	10,272,220

Further information regarding the operations of these societies during 1921 is given in the tables which follow.

## MISCELLANEOUS SOCIETIES.

	No. of Societies	Number of Shareholders on 31st Dec., 1921.	Amount of Share Capital Paid up	Loan Capital (including Bank Overdraft).
		£	£	£
Ulster .. .. .	16	1,802	17,241	2,519
Munster .. . . .	12	10,720	71,982	5,443
Leinster .. . . .	17	4,143	235,392	205,265
Connaught .. . . .	6	2,540	4,169	3,237
	51	19,205	328,784	223,464

## FEDERATIONS

	No. of Societies.	Number of Shareholders on 31st Dec., 1921.	Amount of Share Capital Paid up	Loan Capital (including Bank Overdraft).
			£	£
Munster .. . . .	1	—	—	—
Leinster .. . . .	1	518	47,054	168,031
	2	518	47,054	168,031

## FARMING SOCIETIES

	No. of Societies	Number of Shareholders on 31st Dec., 1921.	Amount of Share Capital Paid up	Loan Capital (including Bank Overdraft).
			£ s. d.	£
Munster .. . . .	1	23	15 10 0	2,525
Leinster .. . . .	26	171	60 7 0	48,763
Connaught .. . . .	34	607	956 18 0	114,979
	71	801	1,032 15 0	166,267

## MISCELLANEOUS SOCIETIES

Total Sales.	Net Profit.	Loss.	Reserve Fund.	Affiliation Fees.	Subscriptions.
£	£	£	£	£ s. d.	£ s. d.
91,953	1,563	5,891	3,204	11 10 0	19 0 0
217,476	2,697	320	4,704	13 1 0	0 5 0
303,401	2,062	933	2,382	54 11 0	—
4,031	—	1,322	1,821	—	—
616,861	6,322	8,466	12,111	79 2 0	19 5 0

## FEDERATIONS

Total Sales.	Net Profit.	Loss.	Reserve Fund.	Affiliation Fees.	Subscriptions.
£	£	£	£	£ s. d.	£ s. d.
597,668	—	—	—	105 0 0	—
1,118,718	—	50,916	12,000	—	—
1,716,386	—	50,916	12,000	105 0 0	—

## FARMING SOCIETIES

Members' Deposits.	Purchase of Land.	Surplus for 1921.	Deficit for 1921.	Affiliation Fees.	Subscriptions.
£	£	£	£	£ s. d.	£ s. d.
3,175	10,877	—	274	—	—
11,148	70,960	1,612	501	6 10 0	1 0 0
23,923	114,744	2,891	696	27 3 0	1 1 0
38,246	196,581	4,503	1,471	33 13 0	2 1 0

## CO-OPERATIVE DAIRY SOCIETIES.

	No. of Societies.	Number of Shareholders on 31st Dec., 1921.	Amount of Share Capital Paid up.	Loan Capital (including Bank Overdraft).	TURNOVER.		
					Butter.	Other Sales.	Cheese, Cream, and Milk.
			£	£	£	£	£
Ulster .. .. .	130	21,322	67,001	39,718	1,320,859	162,793	100,582
Munster .. .. .	153	13,338	94,877	303,540	2,671,966	393,353	106,663
Leinster .. .. .	83	4,550	22,886	79,027	432,489	170,349	8,289
Connaught .. .. .	23	10,749	21,084	8,046	225,456	50,679	18,040
	339	49,959	205,848	430,331	4,650,770	777,174	233,574

## AGRICULTURAL CREDIT SOCIETIES.

	No. of Societies.	Membership	Loan Capital.	Deposits.	Total Capital.	Loans Granted.	No. of Loans Granted.
			£ s. d.	£ s. d.	£ s. d.	£ s. d.	
Ulster .. .. .	37	3,054	2,168 1 9	11,789 18 8	13,957 15 5	10,047 3 0	815
Munster .. .. .	10	407	—	263 3 8	263 3 8	380 0 0	19
Leinster .. .. .	25	2,317	3,423 8 6	42,778 6 8	46,201 15 2	16,528 0 0	768
Connaught .. .. .	40	2,806	2,450 9 2	10,476 1 0	12,926 10 2	9,588 0 8	1,286
	112	8,584	8,041 19 5	65,007 5 0	73,349 4 5	36,543 3 8	2,388

## CO-OPERATIVE AGRICULTURAL SOCIETIES.

	No. of Societies.	Number of Shareholders on 31st Dec., 1921.	Amount of Share Capital Paid up	Loan Capital (including Bank Overdraft.
			£	£
Ulster .. .. .	98	20,095	125,737	140,448
Munster .. .. .	73	10,665	42,299	78,166
Leinster .. .. .	80	15,416	38,128	110,393
Connaught .. .. .	142	20,655	39,768	81,004
	393	66,831	245,932	410,011

## CO-OPERATIVE POULTRY SOCIETIES.

	No. of Societies.	Number of Shareholders on 31st Dec., 1921.	Amount of Share Capital Paid up	Loan Capital (including Bank Overdraft.
			£	£
Ulster .. .. .	4	1,380	1,053	824
Munster .. .. .	1	273	—	—
Leinster .. .. .	3	880	423	3,585
Connaught .. .. .	2	655	402	206
	10	3,188	1,878	4,615

## CO-OPERATIVE DAIRY SOCIETIES

Net Profit.	Loss.	Reserve Fund.	Gallons of Milk received.	Lbs. of Butter made.	Affiliation Fees.	Subscriptions.
£ 12,296 30,278 4,825 1,230	£ 13,044 41,866 10,796 2,475	£ 92,326 200,570 35,055 23,774	20,727,812 42,289,300 9,389,984 3,831,919	7,778,070 16,539,535 3,969,058 1,611,548	£ s. d. 365 10 2 1,382 8 3 259 14 0 148 10 0	£ s. d. 546 10 2 1,756 0 10 320 15 11 82 6 4
46,629	66,181	351,725	76,238,995	29,898,209	2,156 2 5	2,705 13 3

## AGRICULTURAL CREDIT SOCIETIES

Loans Outstanding.	Expenses.	Net Profit for year.	Loss for Year.	Reserve Fund.	Affiliation Fees.	Subscriptions.
£ s. d. 12,705 13 1 376 9 0 16,654 18 11 11,340 1 1	£ s. d. 184 6 8 9 12 3 386 8 6 194 16 0	£ s. d. 123 19 0 4 0 3 186 11 1 163 2 1	£ s. d. 28 11 5 — 36 12 5 33 8 2	£ s. d. 1,330 4 10 58 10 3 1,425 12 3 1,175 5 4	£ s. d. 12 14 6 2 13 0 13 15 6 10 15 6	£ s. d. 9 13 6 0 10 0 43 1 0 15 7 3
41,077 2 1	775 3 5	478 1 5	98 12 0	3,989 12 8	39 18 6	69 11 9

## CO-OPERATIVE AGRICULTURAL SOCIETIES

Total Sales.	Net Profit.	Loss.	Reserve Fund.	Affiliation Fees.	Subscriptions.
£ 862,705 393,661 363,904 421,020	£ 2,264 3,231 1,661 2,998	£ 23,188 11,772 19,676 17,736	£ 16,974 8,356 11,490 13,390	£ s. d. 295 2 6 176 11 0 175 7 4 228 4 0	£ s. d. 247 5 7 179 8 10 205 10 1 184 3 1
2,041,290	10,154	72,372	50,210	885 4 10	816 7 7

## CO-OPERATIVE POULTRY SOCIETIES.

Total Sales.	Net Profit.	Loss.	Reserve Fund.	Affiliation Fees.	Subscriptions.
£ 99,505 53,780 23,997	£ 1,375 — 279 231	£ — — 690 0 0 11 0 0	£ 12,627 — 4,073 1,810	£ s. d. 33 10 0 — 21 10 0 10 5 0	£ s. d. — — 53 16 5 —
177,282	1,885	701 0 0	18,510	65 5 0	53 16 5

Co-operative societies usually obtain their credit facilities from Joint Stock banks; they also obtain deposits from their own members. In many cases, credit facilities to individual farmers are given through co-operative credit societies. Insurance is effected (more particularly as regards Workmen's Compensation Insurance) by co-operative societies for their own members through the Co-operative Insurance Society, Ltd., Manchester.

Technical instruction and advice are given by the Department of Agriculture and Technical Instruction both to co-operating farmers and to all others. The Department's Technical Instructors, and in particular the Dairying Instructors, devote a large proportion of their time to advising co-operative societies. The Ministry of Finance publish a yearly list of Auditors through whom societies registered under the Industrial and Provident Societies Acts of 1893 and 1913, or the Friendly Societies' Acts, can have their accounts audited. This list is adhered to by the I.A.O.S. for its affiliated societies. The Acts mentioned constitute the legal basis of co-operative organisation.

The Federations of societies for business purposes are the Irish Agricultural Wholesale Society, Ltd., 151, Thomas Street, Dublin, and the Irish Co-operative Agency Society, Ltd., Limerick. The sale of co-operative produce takes place both in this country and in Great Britain, which is the largest market for Irish agricultural produce generally. Legislation is being introduced by the Ministry of Agriculture with a view to standardisation of the chief items of agricultural produce. Pending such legislation, no particular scheme is in operation for co-operative societies. Agricultural produce manufactured or collected by co-operative societies will, of course, come within the scope of the proposed legislation.

There is no formal scheme in operation connecting transport development with co-operative organisation. Incidental benefits result to co-operating farmers from the bulking of commodities obtained through co-operative societies, as regards transit.

Speaking generally, salaries in Joint Stock companies and private enterprises are probably bigger than those obtained by the officers of co-operative societies doing an equivalent business. There are no special facilities in existence for training of co-operative staffs.

The attitude of the public may, on the whole, be regarded as tending increasingly to favour co-operation and State Grants in respect thereof, although opposition is still manifested by some traders. The co-operative societies contain specific rules stopping them from party political action in their co-operative capacity. Speaking generally, no differences arising out of politics influence the action of societies. The only farmers' organisation in the Irish Free State, dealing with the industry of agriculture as a whole, is the Irish Farmers' Union, which has recently passed a resolution in support of co-operative trading. Agricultural Co-operation is dealt with in the Agricultural Faculty of the College of Science by the Lecturer on Agricultural Economics.

It may be mentioned here that, in addition to the direct benefit which farmers derive by being members of co-operative societies and thus being in a position to purchase their requisites and dispose of their produce on better terms, the co-operative societies form the nucleus of organisation



tending to better farming ; thus, for example, these societies take up cow testing work. Further, the Committees of Co-operative societies, though not organised for informational purposes, are in fact useful centres of information and discussion in their districts. In some districts where the co-operative movement has become established, steps have been taken through its agency for the erection of village halls and the provision of rural libraries.

### SCOTLAND.

The Scottish Agricultural Organisation Society was founded in 1905, similar to the Irish and English Societies, and has been the chief agency for the promotion of agricultural co-operation in Scotland. The following information regarding some special developments in the movement, and the table of statistics, are taken from the report of the Society for the year 1922.

A federation of the Co-operative Milk Depots regulates the trade of the various dairy societies, averts injurious competition between them, and takes such steps as may from time to time be approved to promote their joint action and secure their common interests. A similar object is attained, in relation to the Poultry Societies, by the Scottish Farm and Poultry Produce Federation, which acts as a selling agency for the local societies, and furthers their trade interests generally. Both these federations promote generally the object of securing the largest attainable degree of united action on the part of local societies.

Joint Purchase Committees representative of affiliated Societies were set up at the beginning of 1923 with a view to securing on the most favourable terms bulked supplies of artificial manures and competitive estimates for the supply of agricultural seeds at the following centres : Aberdeen for the counties of Aberdeen, Banff and Kincardine ; Kirkwall for the Orkney Societies ; and Glasgow for the West and South of Scotland. Very large purchases of sulphate of ammonia were made at traders' terms from the Sulphate of Ammonia Federation. Superphosphate, basic slag, kainit, and other potash manures were bought in large quantities from home manufacturers and Continental shippers on very favourable terms.

Stock Improvement Societies are reported as very successful. Draft stallions, bulls, and boars of a superior class, approved by the Board of Agriculture for Scotland, are hired by these Societies, the Societies being held bound to place the stud animals at the service of members at stipulated fees, and in the case of small farmers the Board of Agriculture gives assistance by way of grants. Great benefits have been secured under these schemes by small farmers in the Islands and more remote districts where at one time stud animals of a good class were not available. The Societies in the Orkneys and in the Highlands generally report that the improvement of farm live stock has been most marked since the stock improvement schemes were established by the Organisation Society.

Societies formed for conducting, on behalf of the members, the work of horse-shoeing and general repair of farm implements continue to function satisfactorily. In some cases these societies were formed for the

purpose of taking over local smithies by farmers who are already members of a Co-operative Trading Society ; in other cases, existing Societies have taken power in their rules to make this branch of business an integral part of their operations.

The intolerance of trade combinations and excessively high charges forced the farmers in some districts to take this business into their own hands. Experience has proved that by this means they can obtain a more efficient service at a very considerably lower cost. It is the intention of these Societies to stock necessary parts of farm machinery, and to deal in the usual implements of husbandry, as well as the supply of all kinds of farm requirements. Societies of this kind have been formed in the counties of Aberdeen, Banff, Kincardine, Perth, Wigtown, Shetland, and Bute.

On the following pages will be found tables which include all the statistics of turnover received by the Organisation Society at the time of issuing its report for 1922.

Name of Society and County.	Year of Establish- ment.	Member- ship.	Paid-up Share Capital.	Poultry and Eggs.	Dairy Produce.	Agricultural Produce and Requirements.
			£ s. d.	£ s. d.	£ s. d.	£ s. d.
<b>ABERDEEN.</b>						
North-Eastern Agricultural Co-operative Society, Ltd. . . . .	1906	2,011	8,419 2 6	—	—	129,269 0 0
Insch and Upper Garrioch Horse Breeding Society, Ltd. . . . .	1909	119	539 0 0	—	—	—
King Edward Agricultural Co-operative Society, Ltd. . . . .	1911	30	20 15 0	493 19 9	—	12 19 0
Inverurie Farmers' Association, Ltd. . . . .	1921	59	1,401 0 0	—	—	2,413 14 0
Turnerhall Smithy Association, Ltd. . . . .	1921	16	197 0 0	—	—	1,336 11 5
Stuartfield Farmers' Association, Ltd. . . . .	1921	32	556 0 0	—	—	805 7 9
Skene Agricultural Association, Ltd. . . . .	1921	15	15 0 0	—	—	172 12 11
Rhynie Farmers' Association . . . . .	1921	42	286 0 0	—	—	360 11 1
<b>ARGYLL.</b>						
Kilohoman Poultry Society, Ltd. . . . .	1911	192	238 17 6	153 13 5	—	5,500 15 9
Ardgour Agricultural Co-operative Society . . . . .	1912	26	20 10 0	—	—	53 7 4
Poitalloch Farming Society, Ltd. . . . .	1916	40	10 5 0	—	—	734 16 5
Isanure Agricultural Co-operative Society . . . . .	1917	40	5 7 6	—	—	106 10 10
Loch Shiel Agricultural Co-operative Society . . . . .	1917	66	19 15 0	—	—	150 7 1
Ardnamurchan Agricultural Co-operative Society, Ltd. . . . .	1918	35	8 15 0	—	—	60 2 1
Dervalg Agricultural Co-operative Society . . . . .	1919	37	11 15 0	25 2 5	—	999 14 11
Tarbert (Lochfyne) Agricultural Co-operative Society . . . . .	1920	28	3 10 0	—	—	14 18 6
Glenorely Agricultural Co-operative Society, Ltd. . . . .	1922	21	5 10 0	—	—	120 16 8
<b>AYR.</b>						
Lugton Co-operative Dairy Association, Ltd. . . . .	1908	—	1,946 11 8	—	26,248 11 2	—
Dunlop Co-operative Dairy Association, Ltd. . . . .	1908	—	2,516 0 0	—	37,447 17 7	—
Kilmaurs Dairy Association . . . . .	1909	58	432 15 0	—	52,323 18 11	—
Stewarton Dairy Association . . . . .	1910	80	138 0 0	—	43,251 11 8	—
Fenwick Farmers' Co-operative Association, Ltd. . . . .	1916	39	1,667 0 0	—	39,003 15 9	—
Craigie and Symington Farmers' Association, Ltd. . . . .	1919	53	9,460 0 0	—	31,356 0 1	1,153 14 9
Dairy Farmers' Dairy Association, Ltd. . . . .	1919	—	6,976 0 0	—	33,592 9 7	862 9 3
Maybole and District Farmers' Association, Ltd. . . . .	1920	—	2,347 0 0	—	19,359 5 3	—
South Ayrshire Farmers' Association, Ltd. . . . .	1920	—	4,225 0 0	—	8,624 11 7	122 9 10
Darvel and District Agricultural Co-operative Society, Ltd. . . . .	1920	102	53 15 0	—	—	2,013 12 2
North Ayrshire Poultry Keepers' Association, Ltd. . . . .	1921	14	3 10 0	—	—	196 17 6
Straiton Poultry Keepers' Association, Ltd. . . . .	1922	16	3 10 0	39 7 4	—	240 17 4
Rowallan Co-operative Dairy Association, Ltd. . . . .	1906	33	358 10 0	—	35,420 1 1	5,203 19 9
<b>BANFF.</b>						
Moray Firth Mutual Trading Society, Ltd. . . . .	1914	38	10 10 0	—	—	1,342 19 5
Keith Farmers' Association, Ltd. . . . .	1921	—	144 10 0	—	—	5,159 11 4
<b>BERWICK.</b>						
Border Farmers' Trading Society, Ltd. . . . .	1913	137	335 15 0	—	—	13,140 14 3
<b>BUTE.</b>						
Shiskine Agricultural Co-operative Society, Ltd. . . . .	1909	99	238 10 0	—	—	3,111 15 8
Arran Southend Agricultural Co-operative Society, Ltd. . . . .	1912	94	70 15 0	—	—	2,514 0 10

Name of Society and County.	Year of Establishment.	Members.	Paid-up Share Capital.	Poultry and Eggs.	Dairy Produce.	Agricultural Produce and Requirements.
<b>CAITHNESS.</b>						
Mey Agricultural Co-operative Society, Ltd. . . . .	1915	30	£ 7 10 0	£ 305 2 2	—	—
Scariskerry Agricultural Co-operative Society, Ltd. . . . .	—	—	11 5 0	815 12 3	—	113 9 2
<b>DUMBARTON.</b>						
Kilpatrick Farmers' Society, Ltd. . .	1910	91	581 7 1	—	—	16,215 13 6
<b>DUMFRIES.</b>						
Canonbie and Districts Farmers' Association, Ltd. . . . .	1910	113	109 5 0	—	—	2,729 9 4
Gretna and Districts Smallholders' Association . . . . .	1922	24	10 0 0	—	—	123 2 6
<b>EDINBURGH.</b>						
Farmers' Supply Association, Ltd. . .	1884	1,700	3,907 0 0	—	—	70,379 0 0
Scottish Private Gardens Co-operative Society, Ltd. . . . .	1921	—	151 10 0	—	—	746 6 10
<b>ELGIN.</b>						
Moray Agricultural Co-operative Society, Ltd. . . . .	1910	111	148 7 6	468 16 5	—	9,964 7 1
<b>FIFE.</b>						
St. Andrew's and East Fife Farmers' Club, Ltd. . . . .	1908	104	27 10 0	—	—	2,076 13 1
<b>FORFAR.</b>						
East of Scotland Agricultural Society, Ltd. . . . .	1909	—	863 5 0	—	—	16,928 11 11
Collieston Agricultural Co-operative Society, Ltd. . . . .	—	32	8 0 0	—	—	573 2 1
<b>INVERNESS.</b>						
Arisaig and District Agricultural Co-operative Society . . . . .	1901	68	10 15 0	—	—	29 6 0
Glennig Agricultural Co-operative Society, Ltd. . . . .	1910	81	4 8 0	120 15 3	—	271 2 2
Garrynamoie and District Agricultural Co-operative Society, Ltd. . . . .	1912	125	27 12 6	652 10 11	—	2,372 12 9
Inverness Farmers' Dairy, Ltd. . . .	1912	—	—	—	28,652 16 10	—
Lochboldale Agricultural Co-operative Society, Ltd. . . . .	1918	45	12 5 0	95 3 1	—	1,559 9 4
South Harris Agricultural Co-operative Society, Ltd. . . . .	1918	126	32 10 0	—	—	1,012 6 11
West Barra Agricultural Co-operative Society, Ltd. . . . .	1918	95	37 10 0	102 15 0	—	1,948 17 10
Watersay Agricultural Co-operative Society, Ltd. . . . .	1918	15	3 15 0	—	—	79 2 1
Castlebay Agricultural Co-operative Society, Ltd. . . . .	1918	181	120 5 0	70 19 0	—	2,838 6 9
Sollas and District Agricultural Co-operative Society, Ltd. . . . .	1919	92	24 10 0	588 9 11	—	3,003 9 7
Benbecula (West) Agricultural Co-operative Society, Ltd. . . . .	1920	63	12 15 6	245 10 11	—	1,537 1 9
Borners (Harris) Crofters Co-operative Society, Ltd. . . . .	1921	58	14 10 0	227 7 2	—	2,337 2 7
Duinain Bridge Farmers' Association, Ltd. . . . .	1922	8	8 0 0	—	—	87 11 1
<b>KIRKCUDBRIGHT.</b>						
Tariff Valley Agricultural Co-operative Society, Ltd. . . . .	1903	—	966 0 9	—	—	8,732 12 6
Ringford Poultry Society, Ltd. . . .	1911	58	25 0 0	692 17 0	—	Pigs.
Stewartry Dairy Association, Ltd. . .	1910	138	—	—	52,383 8 10	6,174 5 7
Dalbeattie District Farmers' Association, Ltd. . . . .	1920	110	4,424 1 0	—	28,565 14 11	—
<b>KINCARDINESHIRE.</b>						
Stonehaven and District Agricultural Co-operative Society, Ltd. . . . .	1920	—	642 0 0	Smithy.	—	—
Glenbervie and District Agricultural Co-operative Society, Ltd. . . . .	1920	37	165 0 0	—	—	3,069 9 3

Name of Society and County.	Year of Establishment.	Membership.	Paid-up Share Capital.	Poultry and Eggs.	Dairy Produce.	Agricultural Produce and Requirements.
<b>LANARK.</b>						
Lesmahagow Dairy Farmers' Association, Ltd. . . . .	1914	34	£ s. d. 10 5 0	£ s. d. —	£ s. d. —	£ s. d. 604 14 5
Avondale Farmers' Trading Association, Ltd. . . . .	1914	77	19 10 0	—	—	1,371 7 5
Carlisle and District Farmers' Thrashing Mill, Ltd. . . . .	1920	—	2,140 0 0	Thrashing	Receipts.	
<b>ORKNEY.</b>						
Sanday Agricultural Co-operative Society, Ltd. . . . .	1906	110	49 15 0	4,601 3 9	—	311 15 10
Orphir Agricultural Co-operative Society, Ltd. . . . .	1907	25	11 0 0	1,124 2 6	—	299 6 11
Westrey Agricultural Co-operative Society, Ltd. . . . .	1909	95	35 0 0	1,268 11 3	—	1,335 2 1
Holm Agricultural Co-operative Society, Limited . . . . .	1910	101	25 5 0	7,598 0 11	—	2,732 13 0
<b>PERTH.</b>						
Strathay Farmers' Trading Society, Ltd. . . . .	1917	35	45 0 0	—	—	780 5 3
Errol and District Blacksmiths' Association, Ltd. . . . .	1921	—	525 0 0	—	—	573 10 10
<b>ROXBURGH.</b>						
Lilliesleaf Country Life Association, Ltd. . . . .	1919	159	124 10 0	—	—	2,140 11 1
<b>ROSS.</b>						
Kinlochene Agricultural Co-operative Society, Ltd. . . . .	1918	26	9 0 0	—	—	390 12 3
Gairloch Agricultural Co-operative Society, Ltd. . . . .	1918	56	8 17 6	—	—	239 9 6
<b>SHEPHERD.</b>						
South Dunbartonshire Agricultural Co-operative Society, Ltd. . . . .	1910	65	17 0 0	945 15 9	—	—
<b>STIRLING.</b>						
Denny and District Farmers' Trading Association, Ltd. . . . .	1919	33	56 10 0	—	—	1,869 13 11
Strathendrick Farmers' Dairy Association, Ltd. . . . .	1920	—	2,213 0 0	—	19,926 18 8	—
Strathendrick Steam Thrashing Society, Ltd. . . . .	1920	—	2,256 0 0	Thrashing and Baling Lires.		297 16 3
Buchlyvie and Vale of Monticth Horse Breeding and Stock Improvement Society, Ltd. . . . .	1905	110	56 0 0	—	—	3,154 1 6
<b>SUTHERLAND.</b>						
Brora Agricultural Co-operative Society, Ltd. . . . .	1913	61	14 15 0	—	—	594 9 6
Dornoch Agricultural Co-operative Society, Ltd. . . . .	1913	93	24 5 0	—	—	377 2 1
Regoart Agricultural Co-operative Society, Ltd. . . . .	1914	83	10 7 6	240 12 10	—	170 16 5
<b>WIGTOWN.</b>						
Machars Farmers' Co-operative Association, Ltd. . . . .	1912	69	—	—	—	2,408 7 8
Galloway Creamery Association, Ltd. . . . .	1920	—	21,060 0 0	—	147,547 14 4	—
Port William Dairy Farmers' Society, Ltd. . . . .	1920	—	4,985 0 0	23,933 9 1	—	4,442 4 2
Whauphill Farmers' Fairly Association, Ltd. . . . .	1920	14	205 0 0	—	Stn. lthy.	

# Canada

## CO-OPERATIVE MARKETING\*

The co-operative marketing of farm products has now reached a stage throughout the Dominion of Canada where it justly claims the attention of all Legislatures, Departments of Agriculture and Universities.

The subject appears to fall naturally into three groups, namely, (1) Co-operative Legislation, Federal and Provincial, (2) Government Assistance, Federal and Provincial, and (3) Accomplishments. These again may be subdivided so that we have groups as follows :

1. *Co-operative Legislation.*

- (a) Federal.
- (b) Provincial.

2. *Government Assistance.*

- (a) Financial and Guarantees, Federal and Provincial.
- (b) Administration and Supervision, Federal and Provincial.
- (c) Management, Federal and Provincial.

3. *Accomplishments.*

- (a) Production,
- (b) Processing,
- (c) Marketing :

(1) Wheat and other grains, (2) Seed grain, (3) Live stock, (4) Poultry and eggs, (5) Milk, butter and cheese, (6) Wool, (7) Apples and small fruits, (8) Maple syrup and honey, (9) Potatoes.

1. CO-OPERATIVE LEGISLATION. *Federal and Provincial.*

(a) *Federal.*

There is no special Federal legislation intended primarily for the organization of agricultural co-operative marketing associations. Any Federal charters which have been granted, have been secured under the Department of the Secretary of State.

Where the co-operative marketing concern is fully co-operative and the only expense entailed in the conduct of the business is the necessary overhead and the cost of doing business, incorporation may be obtained with a minimum of fees.

1. (b) CO-OPERATIVE LEGISLATION—*Provincial.*

NOVA SCOTIA has two Acts under which Farmers' Co-operative Associations may be organized, in addition to the regular Nova Scotia Companies Act.

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\*Prepared by the Co-operation and Markets Branch of the Saskatchewan Department of Agriculture.

An Act "To further encourage dairying in the Province of Nova Scotia" was passed in 1901. The Act provided that the Governor in Council may, for the purpose of encouraging dairying in the Province of Nova Scotia, expend annually a sum not exceeding five thousand dollars. This money to be spent in assisting to provide and equip creameries with plant and machinery. Persons establishing creameries are required to give satisfactory security to the Secretary of Agriculture that they will annually, for a period of five years, manufacture in said creamery not less than 20,000 pounds of butter of good quality, or not less than 40,000 pounds of cheese of good quality.

In 1914 the foregoing legislation was consolidated and became known as "The Dairymen's Act."

In 1914 an Act known as "The Farmers' Co-operative Societies Act" was passed. The Memorandum of Association requires the names of not less than fifteen persons actually engaged in agriculture in Nova Scotia. An Association thus incorporated may buy manures, fertilizers, seeds, feeding stuffs and farm implements and secure the best market for the sale of the products of the farms of its shareholders. The Act also provided for the appointment by the Governor in Council of an inspector under the direction of the Secretary of Agriculture and with a salary payable by the Department of Agriculture.

Probably 70 per cent. of the companies incorporated under the 1914 legislation are united under the United Fruit Company. This central company carries on a greater portion of the wholesale buying and selling for the individual companies.

**NEW BRUNSWICK.** The Act incorporating the New Brunswick Seed Potato Growers' Association provides that the Association may acquire such lands and buildings as may be necessary or expedient for the carrying on of the business of the Association. It may also borrow money for the carrying on and financing of the business.

The monies received by the Association for seed potatoes are pooled according to grade, variety and time of sale, that is to say, there is a separate pool for each grade of each variety sold during the fall, winter and spring periods.

The legislation providing for the incorporation of The Poultry Producers of New Brunswick authorizes the Association, in addition to purchasing and selling co-operatively for its members, to hold exhibitions with the consent of the Minister of Agriculture. The Association is not allowed to hold property to a value of over ten thousand dollars.

The New Brunswick Fruit Growers are empowered by the Act incorporating that body to purchase and sell any kind of material used in the production or distribution of fruits or other farm crops and to arrange for the importing, warehousing and distributing of the same. They may exhibit either in the Province of New Brunswick or outside, with the consent of the Minister of Agriculture.

**PRINCE EDWARD ISLAND.** There is no legislation under which co-operative marketing associations may become incorporated with the exception of "The Dairy Act" which was passed some twenty-five years ago.

An Act, however, to incorporate the Prince Edward Island Potato Growers' Association, became law in 1921. This Act provides for the dissemination of knowledge in methods of standardizing and marketing potatoes and eradicating and controlling diseases and insect pests. It encourages the community plan of raising desirable varieties of potatoes. It also gives the Association power to carry on the business of wholesale and retail merchants in all kinds of goods, wares and merchandise, and generally to trade and deal in all produce.

**QUEBEC.** In Quebec Co-operative Agricultural Societies are incorporated by virtue of a Provincial Act passed about fifteen years ago. The Minister of Agriculture may authorize the formation, in any municipality or parish of the Province, of one or more associations having for their object one or more or all of the following: the improvement and development of agriculture or any of its branches, the manufacture of butter or cheese or both, the sale and purchase of live stock, farm implements, commercial fertilizers and other articles useful to the agricultural classes, and the purchase, preservation, transformation and sale of agricultural products under such name as its founders may choose, provided that such name as a whole cannot be confounded with that of any other existing association.

The Association must consist of at least twenty-five persons. Each association is a joint stock company, the responsibility of its members or shareholders being limited to the amount of their respective holdings. The amount of each share is ten dollars, payable in yearly instalments of one dollar.

**ONTARIO.** Previous to 1907 there were a number of incorporating Acts in Ontario, making provision for the incorporation of different kinds of companies and associations. In 1907 these were all consolidated into the Ontario Companies Act, and since then all incorporations of whatever nature come under this Act. In place, therefore, of enacting separate legislation for co-operative companies, The Ontario Companies Act was amended by inserting that part relating to co-operative associations, but the whole Ontario Companies Act applies to co-operatives, except where varied by the provisions of the later amendment. The provisions making the company co-operative may be incorporated either in the letters patent or in the bylaws. The bylaws of a co-operative must be filed with the Provincial Secretary's Department and the Department makes a practice of submitting any bylaws to be filed to the Department of Agriculture for approval before filing same. The bylaws at any time are those filed with the Provincial Secretary.

**MANITOBA.** In Manitoba Co-operative Associations may become incorporated under the Co-operative Associations Act of 1916 (amended May 7th, 1921). These associations are largely concerned in the purchase of flour, feed, binder twine, and apples in carload lots.

The Act provides that any seven or more persons who desire to associate themselves together as an incorporated association, for the purpose of carrying on any labour, or for fulfilling the requirements of any contract or undertaking by or on behalf of the labourers, or for the purpose of



conducting and carrying on any co-operative business, whether wholesale, retail, manufacturing, importing, exporting, commission, warehousing or otherwise, may become incorporated.

Sales may be made upon credit by resolution duly recorded in the records of the Association and then only for a period of time not exceeding ninety days. Such associations may become incorporated upon a payment of fees amounting to three dollars.

A co-operative society is understood to be one where each member has one vote only, regardless of the capital invested ; is paid a fixed and normal rate of interest on his shares ; and where profits are returned to the members or patrons in proportion to the business transacted by them.

**SASKATCHEWAN.** A Co-operative Organization Branch was created by provincial legislation in December, 1913.

The Branch, which became a part of the Department of Agriculture, was placed in charge of the administration of the Agricultural Co-operative Associations Act. To this Branch was assigned the task of gathering information in regard to all lines of agricultural co-operation. Under the Act any five or more farmers who desire to associate themselves together as an incorporated association with limited liability, may, upon filing a Memorandum of Association and paying a registration fee of \$4.50, engage in co-operative production, co-operative marketing and co-operative purchasing.

Associations incorporated under the Agricultural Co-operative Associations Act conducting a retail business and having a paid up capital of \$5,000.00, may, upon passing a resolution and obtaining the signatures of not less than 75 per cent. of the shareholders resident within thirty-five miles of the registered office of the Association, purchase and sell goods on credit.

Special legislation has also been provided for the Saskatchewan Co-operative Elevator Company, the Saskatchewan Co-operative Creameries, the Northern Saskatchewan Co-operative Stock Yards, the Southern Saskatchewan Co-operative Stock Yards, and latterly the Saskatchewan Co-operative Wheat Producers, Limited.

**ALBERTA.** The Alberta Legislature has passed, at the Session just concluded, an Act respecting co-operative marketing associations. This Act provides for the incorporation of such associations and for the making of returns or reports from these associations to the Registrar of the Province. Although there have been co-operative marketing associations in the Province for some time the system of gathering information has been somewhat incomplete.

In 1917 co-operative legislation was placed on the Alberta Statutes under the name of the "Alberta Co-operative Credits Act." This Act provides for group financing through the formation of societies under the provisions of the Act, and is for the purpose of assisting farmers to finance farm operations in the earlier days of settlement. There are twenty-five of these societies organized in the Province.

## BRITISH COLUMBIA.

(1) *The "Agricultural Societies Incorporation Act," 1873.*

This was the first statute in British Columbia in which was incorporated the co-operative idea. The only existing association at the present time which received its charter under the Act is the Vancouver Island Flockmasters' Association; the main objects of this body being the improvement of sheep-breeding by the purchase of pure-bred rams for its members and the co-operative marketing of wool.

(2) About the year 1896 the co-operative movement began to take more definite shape and in 1897 a number of statutes were passed as follows:—

(a) *The "Agricultural and Horticultural Societies Act."*

(b) *The "Co-operative Associations Act."*

(c) *The "Dairy Association Act."*

(d) *The "Farmers' Institute and Co-operation Act."*

(e) *The "Industrial and Provident Societies Act."*

(a) Under this Act some of the first Fall Fair Associations and societies of fruit-growers were organized.

(b) A very large number of miscellaneous co-operative associations were organized under this Act which was in force until a revised act was issued in 1911. Practically none of these associations, however, are in existence at the present date, partly owing to errors in management and partly owing to lack of true co-operation on the part of members.

(c) An impetus was given under the "Dairy Associations Act" to the organization of creameries at such points as Armstrong, Alberni, Comox, Cowichan, Ganges, Lunby and Nanaimo, all but two of these still being in active operation. Provision was made in the part of the Act dealing with co-operative creameries for a loan to be made by the Minister of Finance under specified conditions and this was taken advantage of in certain cases.

(d) A number of Farmers' Institutes were organized under authority of this Act, the main objects being the holding of meetings in connection with the theory and practice of improved husbandry; the procuring and distributing of seeds, plants and animals; the offering of prizes in connection with horticultural and other competitions, and co-operation for carrying on any industry or for any purpose relating to agriculture.

(3) (a) Provision was made under this Act for its application to all existing associations such as co-operative Farmers' Institutes, co-operative Women's Institutes, fruit growers' associations, agricultural fair associations and the B.C. Stockbreeders' Association, the B.C. Dairymen's Associations and the B.C. Poultrymen's Association. Under part I. of the Act provision was made for the incorporation of further similar associations without share capital; whilst under Part II. of the Act provision was made for the incorporation of further associations with share capital for the manufacture of cheese and butter; the dealing in poultry, eggs, milk, cream and all other agricultural and horticultural products; the dealing in feeds for all kinds of farm stock. Under this Act have been incorporated the majority of the existing Farmers' and Women's Institutes, certain creameries such as at Salmon Arm, mis-

cellaneous associations such as the Arrow Lake's Produce and Cannery Association, Farmers' Co-operative Associations, Nanaimo, the Grand Forks Canning Associations; the Saanich Farmers' Co-operative Association, the Slocan-Kootenay Farmers' Exchange, etc.

By this date (1911) the fruit growing industry in various parts of the Province, and in the Okanagan in particular, had grown beyond the stage of individual marketing and co-operative organization methods were found to be essential. In the years 1913 and 1914 fruit-growers' associations were organized at Armstrong, Enderby, Kelowna, Peachland, Penticton, Salmon Arm, Summerland and Vernon, the Act having been revised and provision made for the advancing of loans by the Department of Agriculture to these associations for the erection of premises, improvement of plant, etc.

(b) NOTE.—*Re Co-operative Associations*: Records are not filed in the Agricultural Department but with the Registrar of Joint Stock Companies.

(4) *The "Agricultural Act, 1915."*

This Act repealed the "Agricultural Associations Act" and contained a number of amendments which has been found necessary in the former statute. The first part of this Act created the Agricultural Credit Commission with powers to make loan for agricultural purposes. A further number of associations were organized under this Act such as creameries at Agassiz, Kamloops, and Revelstoke, and a series of feed associations linked up with Fraser Valley Milk Producers' Association in the Fraser Valley at Agassiz, Delta, Huntingdon, Langley Prairie, Matsqui, Mission, North Langley, Richmond, Surrey, West Matsqui, etc.

(5) Amendments to the Agricultural Act of 1915 were passed in 1917, 1918, 1919, 1920 and 1921. In the 1920 Act all associations organized hitherto without share capital were automatically brought under the provisions of the "*Societies Act, 1920*," and those with share capital under the provisions of the "*Co-operative Associations Act, 1920*," and all associations of the nature above indicated are now subject to the provisions of these Acts.

On June 30th, 1923, the number of incorporated associations either purely co-operative or having co-operative features in their organization were as follows:—

Agricultural Fair Associations	..	..	..	..	60
Fruit Growers and Shippers	..	..	..	..	76
Miscellaneous, including co-operative stores, farmers' feed associations, etc.	..	..	..	..	82
Live Stock Associations, including poultry and Dairymen's associations	..	..	..	..	32
Creameries	..	..	..	..	13
Farmers' Institutes	..	..	..	..	152
Women's Institutes	..	..	..	..	111

## 2. GOVERNMENT ASSISTANCE. *Federal and Provincial.*

### (a) *Financial and Guarantees.*

FEDERAL. The Dominion Seed Branch subsidizes the Canadian Seed Growers' Association to the extent of \$10,000.00 per annum. Also by arrangement with the Provinces a subvention amounting to \$200.00 is

paid for this purpose for each competition, provided the Province concerned adds another \$100.00 which makes a total of \$300.00 available to ten or more competitors in seed production in a locality. The \$300.00 at the discretion of the provincial authorities may be used for buying suitable seed cleaning machinery for co-operative cleaning.

**NOVA SCOTIA.** The only financial assistance which Nova Scotia gives to Co-operative Associations is the facilitating of incorporation without charge.

**NEW BRUNSWICK.** All the several organisations have received assistance from the Department. The Dairymen, Fruit Growers, Sheep Breeders and Poultrymen have received grants in cash and all the several organizations furnish this Department with a copy of their annual financial statement and as their Secretaries are the officials of the several Divisions of this Department it brings the Department in close touch with the farmers who make up the organizations.

**PRINCE EDWARD ISLAND.** The assistance given is principally clerical and the providing of office room ; seldom or never paying of grants.

**QUEBEC.** Quebec does not subsidize local Co-operative Societies, but gives grants to the Federated Co-operative to help it organize educational competitions.

**ONTARIO.** Ontario does not finance co-operatives in any way except occasionally helping in the organization expenses. There is an Act providing for loans to co-operatives for the purpose of erecting seed plants and potato warehouses.

**MANITOBA.** Manitoba does not grant any financial assistance to co-operatives.

**SASKATCHEWAN.** In 1911 \$206,161.00 was advanced to the Saskatchewan Co-operative Elevator Company and varying amounts have been granted each year since on mortgages. The present total indebtedness to the Government is \$2,386,738.28. Payments of interest have been met promptly and the organization is looked upon as being in excellent shape financially.

In dairying our records show that in the years 1897 and 1898 there were 19 dairy manufacturing plants operating in the North-West Territories. These were under the supervision of Prof. James W. Robertson, then Dairy Commissioner for Canada. These plants were conducted on at least a partially co-operative basis. The erection of the Creameries and installation of plants was jointly financed by the farmers of the district and the Federal Government. In the spring of 1906 a Dairy Branch was organized in connection with the Saskatchewan Department of Agriculture and the Dairy Commissioner took charge of the operations of all co-operative creameries in the Province. The service continued until November 1st, 1917, when the Saskatchewan Co-operative Creameries were launched. Under the Agricultural Aids Act the Saskatchewan Co-operative Creameries have been advanced \$725,802.00, which money has been spent in the erection of buildings and all payments to the Treasury have been met. At the request of the organizers of the Saskatchewan Wheat Pool and after a very complete enquiry by the

Agricultural Committee of the Legislature, into the organization methods of the Pool Committee, the sum of \$15,000.00 has been loaned to the Saskatchewan Co-operative Wheat Producers, Limited, in order that organization work may be completed forthwith.

**ALBERTA.** Some years ago financial assistance was given to the Alberta Co-operative Elevator Company, but at the present time practically the only financial assistance given by the Government to Co-operative Marketing Associations is granted through the new Wheat Pool Bill, which not only provides for renewal of the guarantee of \$250,000.00 to take care of margins during the season, but also provides a guarantee of \$1,000,000.00 for the purchase of elevators by the Pool, although this may not be taken advantage of during 1924.

**BRITISH COLUMBIA.** In the years 1913 and 1914, to assist in the organization of the fruit-growing industry, the establishment of proper packing plants, storage warehouses, etc., the Department of Agriculture of British Columbia made loans to various fruit growers' associations in the Okanagan Valley and other districts amounting to \$163,200.00, the rates of interest varying from 4 to 5 per cent., with due provision made for sinking funds, etc., whilst a recent announcement has been made of the guarantee of the sum of \$100,000.00 to the Berry Growers' Co-operative Association of B.C. in connection with a plant for the canning of surplus berries, with the idea of marketing such products to advantage in Europe, where there is a large demand for same. A recent loan has also been arranged for the Salmon Arm Farmers' Exchange, an old-established fruit growers' association at that point.

About the same period, 1913-14, loans totalling \$28,000.00 were made to creameries in the Okanagan, Salmon Arm and on the Island for the extension and modernizing of their plants, under similar conditions and terms to the fruit growers.

In 1921, to aid in the development of new mixed farming districts in the Cariboo and Nechaco Valleys, the Department, through the Land Settlement Board, provided the equipment for co-operative creamery associations at Quesnel and Vanderhoof. The services of a butter maker were also provided for an extended period.

In 1922 similar assistance was given to a co-operative creamery at Golden in the Columbia Valley, and this year a similar policy has been adopted in connection with a creamery in the Peace River Block.

#### (b) ADMINISTRATION AND SUPERVISION. *Federal.*

*The Dominion Seed Branch.* While this branch does not aid directly in organizing co-operative marketing associations indirectly it performs an important function in this regard. One of the tenets of the Canadian Seed Growers' Associations is to organise seed production and marketing centres, and co-operate with provincial authorities when so doing, and some notable examples of successful seed centres which at least in part were organized by the C.S.G.A. are the Ste. Rosalie Society, Quebec, the Banner Oat Association at Summerside, P.E.I., the Peel County Alfalfa Growers' Association, the Western Ontario Corn Growers' Association, Chatham, Ontario. These co-operatives, together with other similar

ones of lesser importance, have since been absorbed by provincial government interests.

Plans and specifications of a small seed elevator suitable for the use of a farmers' club or local co-operative organization are supplied at a nominal fee of \$2.00 per set. From those plans seed growers who contemplate marketing their seed co-operatively are not only able to construct a suitable elevator for the purpose, but may obtain ideas which may be used in remodelling warehouses which already exist. The Seeds Act protects the Canadian growers of high grade seed against unfair competition, and from cheap poor seed which may have been imported from other countries.

Another Seed Branch service which assists farmers' co-operatives perhaps more than any other class of seed trade, is the bi-weekly market report which is issued in Eastern Canada. This service provides a definite outlet for surplus seeds which the co-operative is not able to dispose of in its own locality. The bi-weekly market reports issued by the branch now include current prices and a survey of market conditions of feeding stuffs, fertilizers and seeds. This additional information is proving helpful to farmers' clubs which are organized to buy supplies for the farm as well as to sell farm products.

In the above outline of the services of the Seed Branch, which indirectly assist farmers who have undertaken to buy and sell co-operatively, it is understood that it is not the policy of the branch to go amongst the farmers and agitate that they organize for seed assembling, cleaning and marketing purposes. We believe that such organisations are the natural outgrowth of our present system of agricultural societies which are under the direct supervision of the Provincial authorities, and that the provinces should therefore take the lead in the formation of co-operative concerns as economic conditions demand.

For the past several years officers of the Federal Live Stock Branch have been active in organizing co-operative shipments of live stock, particularly lambs and hogs, from the Maritime Provinces to the Boston and Montreal markets. Federal promoters in Prince Edward Island, Nova Scotia and New Brunswick, have assisted in local organization work, providing markets intelligence to the various local associations, advising them as to the quality and finish of stock and assisting in the local arrangements for locating and shipping. This arrangement has worked out very satisfactorily. It has been their policy to stimulate local buying as much as possible, at the same time facilitating outside competition to the greatest possible degree and in this way they have been able to net co-operative shippers full market value for the stock which has been offered for sale through this channel.

In the Province of Quebec, the organizing of Sheep Fairs has been the means of not only stimulating interest in sheep raising and a knowledge of the value of pure bred rams, but in addition has provided an excellent medium for the co-operative sale of lambs on the quality basis. The Ram Premium and Ram Club Policies have enabled the Federal officers to place from 600 to 1,000 rams in this Province each year for the past three years, and this addition of pure bred rams combined with sales made individually in the usual way, provided many districts with improved

quality lambs which could be exhibited for educational purposes and for sale. Last year 45 of these Fairs were held in the province of Quebec at which a total of 13,353 lambs were exhibited and sold. These Fairs were the means of establishing definite market values in the various districts in which they were held, so that drovers who operated found themselves under obligations to meet these prices for the bulk of the lambs in the district.

NOVA SCOTIA. Nil.

NEW BRUNSWICK. The secretaries of the co-operative organizations in this Province such as the Dairymen, Fruit Growers, Sheep Breeders, Poultrymen, are officials of the several divisions of the New Brunswick Department of Agriculture and it is conceded that this work keeps that Department very closely in touch with the agricultural situation at all times.

PRINCE EDWARD ISLAND. Questionnaires are sent out to the secretaries of the various co-operative organizations.

QUEBEC. Agricultural Representatives assist in the organization of local co-operative societies and superintend their operations. The following products are marketed through the Federated Co-operative: Butter, Cheese, Live Animals, Lamb, Beef, Deer, Beans, Grains, Peas, Wool, Hogs (slaughtered), Honey, Eggs, Skins, Apples, Maple Syrup and Sugar, Tobacco, Calves, Meat (dressed), Poultry (killed and live).

The co-operative societies are obliged to make a report to the Provincial Secretary, which publishes a summary of their operations in the Annual Statistical Year Book. (See details under Accomplishments.)

ONTARIO. The Department of Agriculture advises and assists in the organization of co-operative marketing companies and, for this purpose maintains what is called the "Co-operation and Markets Branch." The Province also, through its Agricultural Representative system, gives direct aid and encouragement to the formation of co-operatives in the counties.

MANITOBA. The Department of Agriculture provides men to address meetings and assist in co-operative organization work.

SASKATCHEWAN. The Agricultural Co-operative Associations Act is administered by the Co-operation and Markets Branch and at the present time there are 400 associations incorporated under the Act. These Associations are required by the Act to submit annual returns to the Branch and such returns are checked by a member of the staff. Constitution and bylaws are provided for co-operative live stock shipping associations, community grazing associations, community hall associations, co-operative trading associations, egg circles, and any other legitimate form of co-operative organization.

Supervision is given by inspectors of the branch in co-operative poultry marketing, potato marketing, and, where requested, in marketing car-load lots of horses.

ALBERTA. The co-operative marketing services of the Government have been conducted along the principle that as soon as the producers of the commodities themselves are in a position to take over these services the Government is ready to relinquish them. Some discussion has taken

place this year on the establishment of a pool for the handling of some of these commodities, but as yet nothing definite has been done.

**BRITISH COLUMBIA.** The chief assistance given by British Columbia to co-operative marketing is by the maintenance of a Fruit Markets Commissioner with a well-equipped office at Calgary. Mr. J. A. Grant, the Commissioner, is a fruit grower of experience and has been for a number of years instrumental in aiding the various fruit organizations of this Province in marketing their products in various parts of the Dominion and also in the United States and Europe. The entire cost of the Commissioner's office is borne by this Department. A free intelligence service is also conducted by means of a Weekly Markets Bulletin which is sent to all growers, officials and interested parties, the mailing list now having reached a total of 4,000.

## 2. (c) MANAGEMENT.

**FEDERAL.** Actual management, none.

**NOVA SCOTIA.** " "

**NEW BRUNSWICK.** " "

**P.E.I.** " "

**QUEBEC.** " "

**ONTARIO.** " "

**MANITOBA.** " "

**SASKATCHEWAN.** " "

**ALBERTA.** For some years the Province of Alberta has conducted a marketing agency for the farmers in butter, eggs and poultry, and during the past year or two, in registered seed grain. These services, of course, are Government marketing agencies utilized voluntarily by the farmer wherever and whenever he desires to do so. The success of the egg and poultry marketing service in the amount of business handled has been notable. The butter marketing service is not utilized to a great extent now, for the need of the service is not as great as formerly.

The marketing of registered seed by the Provincial Government, co-operating with the Seed Growers' Association, has been very successful. The Government operates a modern cleaning and grading plant, and has marketed more than 60,000 bushels of seed grain this year for the farmers of the Province on a co-operative pool basis.

**BRITISH COLUMBIA.** Actual management, none.

## 3. ACCOMPLISHMENTS.

### (a) PRODUCTION.

**FEDERAL.** Co-operative production, none.

**NOVA SCOTIA** " "

**NEW BRUNSWICK.** To a certain extent certified seed potatoes are produced co-operatively.

**P.E.I.** " "

**QUEBEC.** " "

**ONTARIO.** " "

**MANITOBA.** " "

**SASKATCHEWAN.** " "

**ALBERTA.** " "

**BRITISH COLUMBIA.** " "



**(b) PROCESSING.**

**FEDERAL.** No processing.

**NOVA SCOTIA.** There are several co-operative creameries which manufacture butter.

**NEW BRUNSWICK.** Cheese and butter are manufactured by co-operative cheese factories and creameries and Mr. J. R. Sutherland, Assistant Provincial Dairy Superintendent, is Secretary of the organization, namely, the New Brunswick Dairy Men United, which conducts the processing.

**PRINCE EDWARD ISLAND.** Dairy products are processed by the individual co-operative factories.

**QUEBEC.** The Federated Co-operative of Quebec now comprised of the Quebec Farmers' Central Co-operative Society, the Co-operative Seed Growers' Agricultural Co-operative Society, and the Comptoir Co-opératif de Montreal, manufactures butter which has been introduced into the European market and over a hundred boxes were sent to Belgium in 1923. Tobacco and honey are also handled in large quantities.

The number of co-operatives now organized and in working condition in the Province of Quebec is 325. The total membership is 26,507 with a paid up capital of \$350,758. The receipts for 1922 amounted to \$10,117,804.50 while the expenditures were \$997,869.83. The Societies may be classified as follows:

A central warehouse for sales (La Co-opérative Centrale), a warehouse for purchasing (Le Comptoir Co-opératif); a special place for the preparation and sale of seed-grain (La Société Co-opérative des Producteurs de Sémences de Quebec). These three societies were merged into a single one for purchases and sales by a resolution passed at the general meeting of the members, on October 31st, 1922, and by an Act for such purpose assented to, December 30th of the same year.

A special society for canning (La Cannerie Co-opérative de Henryville); a special society for fruit storage (Fruitiers de St-Hilaire, Rougemont, Rouville); a special society for selling milk in the city (Montreal Milk Producers); two special societies for the preparation and sale of tobacco (Société Co-opérative de Yamaska), at St. Césaire, Rouville, and La Société Co-opérative des comtés du sud, Farnham, Mississiquio; one for grinding grain (La Meunerie Co-opérative de caplan); sixteen societies for threshing clover; 23 societies for making butter or cheese or both. The other co-operatives are engaged in selling or purchasing or in selling and purchasing agricultural products.

**ONTARIO.** All dairy products are manufactured by the co-operative or semi-co-operative creameries and cheese factories, also honey and tobacco in Essex and Kent counties.

The Canadian Tobacco Growers' Co-operative Association receives the tobacco from some four hundred grower members. It is then graded, dried and marketed. All members of this organization are *under contract* to deliver their tobacco to the company.

**MANITOBA.** Little appears to have been done in Manitoba in the co-operative manufacture of dairy products.

**SASKATCHEWAN.** The Saskatchewan Co-operative Creameries manufacture large quantities of butter and ice cream, details of which will be shown under 3(c) (marketing).

**ALBERTA.** Co-operative marketing organizations manufacture butter, details of which will be shown under 3 (c) (marketing).

**BRITISH COLUMBIA.** Co-operatives on the mainland process butter and small fruits. On Vancouver Island Co-operatives also manufacture butter.

### 3. (c) MARKETING.

**GENERAL.** Taking Canada as a whole great strides have been made during the past few years in the co-operative marketing of farm products and while the Federal Government is not actively engaged in the work, its support and influence are appreciated and valued throughout the whole of Canada.

**WHEAT.** Wheat being produced largely in the three western provinces of Manitoba, Saskatchewan and Alberta, it follows that much more attention has been given to the marketing of this commodity in the west than has been the case in the other provinces where the production of this grain is less than the consumption.

The 1923 wheat acreage of the Province of Manitoba was placed at 2,915,915 acres. A percentage of the surplus is disposed of through co-operative organizations and at the present time a Wheat Pool is in process of organization.

In Saskatchewan the wheat acreage is approximately 12,000,000 acres and the Saskatchewan Co-operative Elevator Company handles annually with little variation about one-fifth of the products of this acreage. The following statement shows the volume of grain handled by this Company since its inauguration :

	Bush.
Volume of grain handled since inception, through country elevators .. .. .	335,000,000
Volume of grain handled—Season 1922-23 ..	40,773,000
"    "    "    "    1923-24 to date	46,200,000

The Company owns at the present time 390 elevators and about 35 will be constructed during the present year. There are 24,575 shareholders and the total paid up capital of the company is \$1,959,565.00. Undoubtedly the fact that the Company has been in the grain business has had the effect of stabilizing the price of wheat in Saskatchewan.

The Saskatchewan Co-operative Wheat Producers, Limited, is a newly formed co-operative company called into being for the purpose of marketing wheat on the pooling plan and it is confidently expected that by the end of June the six million acres required to establish the pool will be an accomplished fact.

In the Province of Alberta, our most western wheat producing area, the first large undertaking of a co-operative nature after the formation of the Province in 1906, was the organization of the Alberta Farmers' Co-operative Elevator Company. In 1913 the government sold \$1,000,000 bonds for elevator building purposes, and in all advanced \$1,153,585.22

to this enterprise. In 1917 the business of this company was taken over by the United Grain Growers', Ltd., which company took over the assets and assumed the liabilities of the co-operative company. The debenture debt was funded, and calls for annual payments until 1943 of \$95,412.13 annually by this company.

**SEED GRAIN AND SMALL SEEDS.** In an agricultural country such as Canada the quality of the seed grain supplied to the farmers is of the highest importance and the work of the Seed Branch of the Dominion Government in assisting the Canadian Seed Growers' Association to organize seed production, and marketing centres, is much appreciated.

In the Province of Saskatchewan the co-operative marketing of seed grain is now being considered and tentative arrangements discussed for the cleaning of seed.

In 1921 the co-operative handling of registered seed grains was started, the Government putting in a seed cleaning plant at Edmonton. The success attending the operations of 1922 has been encouraging to the growers of registered seed. This promises to grow into a big business, and co-operative dealing under the present arrangements will give Alberta-grown seed both reputation and character at home and in many outside markets.

In Ontario The Kenora District Co-operative Clover Seed Growers' Association is active. The district here is noted for the production of clover seeds, and to take care of the trade the Company was organized in 1918. A power cleaning plant has been installed and the seed marketed all over Canada and exported. The Company has been instrumental in creating and maintaining a reputation for high quality seeds of uniform grades. The success of this Company has encouraged the formation of other seed producing centres in Northern Ontario.

The Kerwood Farmers' Co-operative Company, Limited. This company has for its object that of operating a local elevator and seed cleaning plant. During the first nine and a half months, and before the cleaning machinery was installed 21,000 bushels of wheat were sold, and about \$2,000 worth per month of flour and feed handled. With the installation of seed cleaning machinery, whereby the grain can be properly graded before shipment, much more satisfactory results are expected to follow.

**LIVE STOCK.** Second in importance to our grain industry is that of live stock, and in each of our provinces are to be found co-operative associations for the marketing of all classes of live stock.

During the past few months pooling facilities for the marketing of cattle have been made available by the United Growers', Ltd., of Winnipeg. This cattle pool is carried out along sound co-operative lines and embraces both export and Canadian markets, and from the Province of Saskatchewan alone during 1923 no less than 1,782 carloads of live stock were shipped to this pool. From the commencement of the pool in February, 1923, until December 31st, 1923, the Winnipeg cattle pool handled 64,195 head of cattle. It is interesting to note that 307 carloads of cattle from the pool were despatched to British markets.

In the Province of Alberta, the co-operative handling and shipping of cattle and hogs to the various stockyards has been found beneficial to a number of farmers' organizations. The Crossfield Co-operative, for instance, handled \$82,000 worth of live stock last year for its members, besides a large quantity of poultry and creamery products. The Coronation Co-operative has made successful shipments of hogs and cattle to the Calgary markets. The Pincher Creek Co-operative had a turnover of \$107,000 last year, handling hay, grain, and live stock for its members. Many associations have had successful business experiences.

The following extract is taken from the Dominion Government Fourth Annual Report and Meat Trade Review for 1923 :

"The removal of the embargo on the movement of Canadian cattle to inland points in Great Britain brought about a considerable increase in exports overseas. Official returns show the movement for the calendar year as 57,672 head, valued at \$6,058,507, or approximately \$150 per head as compared with 18,475 head valued at \$2,096,565 or at a per head declared value of \$113 in 1922. Of the total 1923 shipments approximately 27,330 head were shipped as stores.

"While the movement was not as heavy as expected, it acted as a considerable stimulus to market demand and was responsible for a steadying of prices in choice fat steers and good sorts of feeder cattle."

**POULTRY AND EGGS.** The co-operative marketing of poultry and eggs is finding many supporters throughout the whole of the Dominion. In New Brunswick poultry producers have been organized for co-operative marketing and also purchase their supplies through their organization, and each province has co-operative organizations through which poultry may be marketed.

In Manitoba an organization has recently been incorporated known as "The Manitoba Co-operative Poultry Marketing Association, Ltd." This organization last season handled some forty carloads of dressed poultry and realized enhanced price to the producers. In Saskatchewan, with the assistance of the Markets Branch, some fifteen carloads of dressed turkeys were marketed on a co-operative basis last December, thus effecting a saving in handling and freight charges. Some 319,000 pounds of dressed poultry were shipped, realizing the sum of \$80,190.00. A carload of dressed turkeys is comprised of approximately twenty-four hundred birds. A central co-operative marketing organization is contemplated for the marketing of next season's birds.

The co-operative marketing of eggs and poultry products, with the assistance of the Department of Agriculture, has grown in a remarkable manner. Now markets for Alberta products have been sought and found, and the business has materially improved under co-operative treatment. In 1918 there were 137,370 dozens of eggs and 14,863 head of poultry sold. This increased in 1922 to 435,830 dozens of eggs and 557,000 pounds of dressed poultry. 158 communities shipped poultry products through the government service. In 1921 community killing and shipping of turkeys was inaugurated with a total of 45,000 lbs. In 1922 this increased to 128,000 pounds.

During the past few months the United Farmers of Ontario have established an Egg Pool and have already handled many carloads.

The Province of British Columbia has also made considerable progress in the co-operative marketing of eggs and the "B.C. Poultrymen's Co-operative Exchange" with headquarters at Vancouver has been organized. The operating expenses of this Exchange are now below 5 cents a dozen for eggs, which includes shipping cases costing  $1\frac{1}{2}$  cents per dozen.

**MILK, BUTTER AND CHEESE.** In those of our Provinces where grain growing is not the all-important feature, considerable attention has been paid to dairying and we find that co-operative marketing organizations have accomplished a very great deal. In fact, dairying is now making considerable headway in our grain growing areas also, and the co-operative movement is responsible to a certain extent for the progress made.

The New Brunswick Dairymen United dispose of the product of their cheese factories and creameries by auction and the same policy is carried out in Prince Edward Island.

In Quebec the co-operative system is stated to have met with marvellous results in so far as the improvement of the products through grading is concerned and all products received by the Federated Co-operative Society are graded by officers furnished by the Quebec Department of Agriculture.

The United Farmers of Ontario also handle dairy products for their shareholders and farmers' clubs. The Sudbury Co-operative Creamery Company, Limited, was organized in 1916, and operated for the first two years under serious difficulties. These difficulties were gradually overcome, and to-day the Company is operating one of the best Creamery plants in the Province and serving a large territory in the Sudbury district. The Company proposes to extend its operations in the near future and to include a retail milk and ice cream business. The company has a paid up capital of \$12,000 and last year manufactured 155,000 pounds of butter for about 300 patrons.

In the Province of Saskatchewan, the Saskatchewan Co-operative Creameries have sold during the past six years 20,255,233 lbs. of butter manufactured at their plants and at the present time there are twenty-eight branches of this company located in various parts of the Province.

Co-operative dairying and the co-operative handling of dairy products, due to services rendered by the provincial Department of Agriculture, have placed the Alberta Dairy business in a very high position. In 1912 a total of 278,688 lbs. of butter was marketed co-operatively, and in 1921 this had increased to 852,000 lbs., and in 1922 to 1,017,094 lbs.

**WOOL.** In the marketing of wool co-operative effort centres largely in the Canadian Co-operative Wool Growers, Ltd., with headquarters in Toronto. During the past season not only has the Canadian market been covered, but over 600,000 lbs. of Canadian wool were sold to manufacturers in England, 50,000 lbs. to the continent of Europe, and hundreds of thousands of pounds to the United States. 22,500,000 lbs. of wool have been handled by the Company since 1918.

With this body are affiliated several smaller co-operative wool marketing associations, some of which were in existence before the Canadian Co-operative Wool Growers' Company was organized. For the past nine

years the co-operative marketing of wool has been conducted by the P.E.I. Sheep Breeders' Association and the sales are made through the Canadian Co-operative Wool Growers. In 1921 29,650 pounds were received by the Association for marketing, but this amount was less than usual owing to low prices at that time.

Most of the Alberta grown wool is collected, graded and sold co-operatively through Alberta branches of the Canadian Co-operative Wool Growers, Limited.

**APPLES AND SMALL FRUITS.** In both Eastern and Western Canada apples and small fruits are produced in large quantities. In Ontario a central selling organization for the marketing of the tender fruits grown so extensively in the Niagara district, has come into existence during the past year and has been incorporated under the name of "The Niagara Peninsular Growers, Ltd."

It is interesting to note that while in the East much of the marketing is done along co-operative lines, in British Columbia a movement is at present on foot for the purpose of including at least 80 per cent. of the product of the apple orchards in a co-operative marketing plan.

The Company known as "The Associated Growers of B.C., Ltd.," desire to form one central agency under the control of the growers, for the distribution of all fruit and vegetables produced in commercial quantity in the Province. While in the marketing of small fruits sufficient experimenting has already been conducted in the making of fruit juices, dehydrating berries and jam making to determine the feasibility of utilizing all surplus berries. This work has been undertaken on behalf of the Berry Growers' Co-operative Union of British Columbia.

**HONEY AND MAPLE SYRUP.** Maple syrup, the delectable product of Eastern Canada, is known in many countries. The Quebec Government has devoted considerable attention to the modernizing and general promotion of this industry. The Pure Maple Syrup and Sugar Co-operative Agricultural Society exists for the protection of the industry and the assistance of those engaged in it. There is also an Act of Parliament which makes it an offence to offer for sale any food under the name of "maple" which is not a pure product of the maple tree.

Our Canadian maple sugar and syrup as well as Canadian honey meet with a most favourable reception throughout the British Isles and bee keepers in Western Canada evidently do not intend to leave the production of honey in the hands of Ontario, as only quite recently they received a shipment of 40,000,000 bees from South Carolina. Honey producers are following along the lines of other fields of co-operative effort and are endeavouring to minimize their distribution costs for their common good.

**POTATOES.** Co-operative Associations undertaking the marketing of potatoes are to be found in each Province in Canada. In Prince Edward Island potato growing, the production of "seed stock" for the United States and other markets is commanding a large share of the product that now leaves the Province. The operations of the Provincial Potato Growers' Association have realized over \$40,000 more for the growers than they could have found by growing "table stock."

The State of Virginia is a very good customer of Prince Edward Island for certified seed potatoes and one company requires at least 200,000 bushels each year for seed purposes. The seed gives very satisfactory results, showing absolute freedom from disease and yielding at the rate of 300 bushels per acre.

Some organizations such as the New Brunswick Seed Potato Growers' Association handle nothing but the one commodity, while other co-operatives, such as the Woodstock District Farmers' Co-operative Association in Ontario, market potatoes, eggs, and other produce. In the Province of Saskatchewan, while there is no central co-operative organization for the sale of potatoes, many of the registered Associations market potatoes for their members. In the Edmonton district and in the Lethbridge district a considerable portion of the potato crop has been handled co-operatively, and satisfactory returns have been obtained.

# *Australia*

## QUEENSLAND

Spasmodic efforts in agricultural co-operation have been made in Queensland for the past 20 years. The chief direction in which the movement has found its expression has been in that of the establishment of Co-operative Dairy Companies. Co-operative Distributing Companies have during that period also been started by Dairymen and Fruitgrowers. In the year 1922 the Queensland Government, desirous of assisting agriculturists to organise in their own interests, placed on the Statute Book an Act entitled "The Primary Producers' Organisation Act of 1922."\* Other Acts of Parliament which have been passed to better agricultural conditions, are referred to in this report under their proper headings. In passing, it may be stated that it is considered in Queensland that much of the progress in co-operative organisation in that state is due to the complete and comprehensive character of its agricultural legislation, for which Queensland is conspicuous in the Empire.

Under the Act referred to in the preceding paragraph a State organisation is set up called "The Queensland Producers' Association," composed of three units: Local Producers' Associations, District Councils of Agriculture, and the Council of Agriculture. The central body responsible for general propaganda and organisation is the Council of Agriculture, the address of which body is: Turbot Street, Brisbane, Queensland. Among the functions and objects of the Council set out in Section 6 of the Act is the following: "Encouraging and assisting in the promotion of farmers' co-operative associations and enterprises."

The Act also embodies provisions whereby the Council of Agriculture and District Councils may impose levies on agricultural produce for the maintenance of the Association.

Membership in the Association is open to all primary producers. All primary producers may be called upon to bear their share of levies for the maintenance of the Organisation, but only those who enrol in the Association have a vote in the affairs pertaining to the Organisation. There are democratic provisions whereby the District Councils of Agriculture are elected by vote of the enrolled primary producers in each district, provision being made for certain representation according to the major interest (e.g., Sugargrowers, Dairymen, Fruitgrowers, General Farmers, etc.). The District Councils, of which there are 19, nominate one Member each to the Council of Agriculture, and six nominees of the Queensland Government have a seat on that body, there being 25 members in all.

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\*See Appendix B.



The Act further provides that during a period of five years after the passing of the Act, grants shall be made to the Association out of moneys appropriated by Parliament, to be at the rate of not less than £ for £ paid into the fund during the twelve months preceding such grant.

Agricultural Co-operative Societies as such do not contribute to the maintenance of the Queensland Association. The individual members contribute, as already stated. A later measure—The Primary Producers' Co-operative Associations Act of 1923—lays down that Rules of Associations may provide for the affiliation of the association with the Council in such manner and on such terms and conditions as may be agreed on, or as may be prescribed by the Council. Such affiliation may if deemed desirable extend to the appointment of a representative of the Council as one of the directors of an association and to the appointment of representatives of associations as associate members of the Council or any Committee thereof. The Council proposes to set up a Committee on Co-operation.

The Wheat Growers of the State have been organised under a special Act, entitled the Wheat Pool Act of 1920, which was brought into operation as a result of insistent requests by prominent Farmers' Organisations then in existence. It makes provision for compulsory delivery to the State Wheat Board of all wheat grown in Queensland. This is marketed to the best advantage by the State Wheat Board, which comprises five members elected by the growers, and a Chairman, a recognised authority on financial matters, appointed by the Government. As this pool came into operation prior to the constitution of the Council of Agriculture, it is not, as pointed out hereafter, one of the pools upon which the Council of Agriculture has representation by reason of the provisions of the Primary Products Pools Act of 1922-23. In the main it may be stated that the provisions of the Primary Products Pools Act are based on those of the Wheat Pool Act of 1920.

The Fruitgrowers have been organised under an Act designated as The Fruit Marketing Organisation Act of 1923. This measure was enacted on the recommendation of the Council of Agriculture to institute the co-operative marketing of fruit on a compulsory basis. The Act does not provide for Government control, but vests the control of fruit marketing in an elected body of growers, the Committee of Direction of Fruit Marketing. There are also Local Fruitgrowers' Associations and Sectional Group Committees. The Members of the Local Associations elect the Sectional Group Committees. There is a Sectional Group Committee for each of the main classes of fruit grown in Queensland, viz. :—

Bananas,  
Pineapples,  
Citrus Fruits,  
Deciduous Fruits,  
Other Fruits.

The four first named Sectional Group Committees send two representatives each to the Committee of Direction, the Sectional Group Committee for Other Fruits sending one representative. There is provision for one representative of the Council of Agriculture on the Committee of Direction

of Fruit Marketing, the present nominee being the Chairman of the latter body.

Under the Primary Products Pools Act of 1922, provision is made for the constitution of a pool for any agricultural commodity at the request of a specified number of the growers of such commodity, with provision also for a poll to be taken on the question if such be demanded. The management of such pools of primary products is vested in Pool Boards. Under the Act the Council of Agriculture is entitled to one nominee on each Pool Board; the Governor in Council appoints the Chairman on the recommendation of the Council of Agriculture. This affords a means of affiliation with the Council of Agriculture, the body charged with the function of Agricultural Organisation.

Under the Primary Products Pools Act the following Pools have been constituted :—

Egg Pool,  
Cheese Pool,  
Maize Pool, and  
Pig Pool.

Agricultural organisation under the Acts of 1922 and 1923 is only in its initial stages. The Primary Producers' Co-operative Associations Act having but recently been enacted, arrangements for affiliation, other than those indicated above, are not yet complete. No relations have as yet been established between the agricultural co-operators and consumer co-operators.

Advice on technical matters concerning production and manufacture has been made available by the Department of Agriculture and Stock. Advice on marketing questions is now afforded by experts under the Council of Agriculture.

The main business of the Societies is the manufacture of Dairy Products. In November last the Council of Agriculture appointed a Special Committee to investigate the problems of production and marketing in connection with the dairying industry. As a result of the deliberations of this Committee a pamphlet making definite recommendations for the betterment of the industry was published by the Committee in December, 1923 (The History of Queensland Dairying, Together with Investigation of its Problems of Production and Marketing; Queensland Council of Agriculture, Turbot Street, Brisbane).

Reference has already been made to the marketing of agricultural produce generally in the paragraph which deals with the Fruit Marketing Organisation and the establishment of pools of Primary Products. The purchase of agricultural requirements has not been to any extent developed co-operatively in Queensland.

Societies which combine several branches of work, such as purchase of requirements, sale of dairy products, auction marts, and sale of fruit, are few. Co-operative endeavour, either of the nature of co-operative companies or by the method of the institution of pools for agricultural products, has operated along well defined lines of specialisation. Co-operative Dairy Companies, to a limited extent only, deal in the requirements of their members.

Nothing has yet been done in Queensland in regard to agricultural co-operative insurance or agricultural co-operative credit, but the State has established a State Government Insurance Office, and has also instituted an Agricultural Bank, under the Agricultural Bank Act of 1923, which affords special credit facilities to co-operative organisations.

Hitherto Co-operative Companies have made their own arrangements for audit in accord with their rules and no specified procedure in regard to auditing has been laid down. Under the Primary Producers' Co-operative Associations Act of 1923 it is specified as follows :—

Part II., Clause 11 (1).

“ Once at least in every year every association shall submit its accounts and securities for audit to an auditor approved by the Minister, or to such two or more auditors as the association in accordance with its rules appoints ; etc.”

The principal federations of Societies are the Farmers' Co-operative Distributing Company of Queensland, Ltd., Turbot Street, Brisbane and the Dairy Products Co-operative Co., Ltd., Roma Street, Brisbane. The Committee of Direction of Fruit Marketing, mentioned above, is practically a federation of the different Sectional Group Committees, as also described. The prevailing tendency in agricultural co-operative marketing organisation in Queensland is in the direction of compulsory co-operation on the basis of commodity pools, or special Acts of Parliament vesting control in bodies elected by the growers themselves. • •

The Standardisation of dairy produce is effected by brands indelibly affixed to the packages at the factory, such brands being registered by the manufacturers as indicative of quality, and by affixing to the containers of dairy produce a grading check mark by grading officers serving under the Department of Agriculture and Stock. The Authority and Machinery Clauses requiring this action are contained in the Dairy Produce Act of 1920, more specifically in Sections 17 (2) and 22 (1) and Regulations 111, 112, and 120.

In the past there had been no contractual obligations either between members and their societies or Societies and their Federations, but under the Primary Producers' Co-operative Associations Act of 1923, just enacted, complete provisions are made therefor. Contracts may now be made requiring members to sell for any specified period of time all or any specified part of their primary produce exclusively to or through the Association, and it is provided that this and other objects set out in the Act shall be deemed to be lawful, notwithstanding that this might otherwise be held to be in restraint of trade.\* Similar provisions are made by the Act in regard to contractual obligations between co-operative associations and such federations as they may set up. “ Voluntary ” co-operation is in Queensland deemed to be an anachronism and quite out of date. It has time and again been demonstrated that a minority holding aloof from co-operative activity frustrates the endeavours of an organised majority. The value of loyalty under voluntary co-operation

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\*See Appendix C.

is not deemed to be in any way comparable to the security afforded by the compulsory principle.

It cannot be said that co-operative organisation has had any influence on transport development. Governmental policy has been to build railways to tap the hinterlands of natural ports in accord with a policy of decentralisation. There may, however, be cited the fact that the main markets for Queensland fruit are Brisbane, Sydney, Melbourne and Adelaide. Fruitgrowers have organised shipments on a co-operative basis whereby fruit, principally bananas and pineapples, is sent forward in bulk lots by special trains at reduced rates instead of by individual consignments. For this purpose loaders are retained by the Co-operative Association at Sidings and Stations where fruit is loaded in order to ensure the trucks being loaded to their full carrying capacity.

Regarding salaries of staff as compared with salaries in joint stock companies and private enterprise, the tendency has been for Proprietary companies to offer bigger inducements than Co-operative companies or private enterprise. On the commercial side, the facilities for the training of the necessary staff are through the ordinary channels such as commercial colleges, and the University, where a diploma of Commerce has been established. Those engaging in the manufacture of dairy produce are required to qualify before they are permitted to carry out some phases of the work, such as Milk and Cream grading and the determination of the fat content of milk and cream. Qualifying examinations are held and those successful in passing the examination are furnished with a Certificate of proficiency under the Dairy Produce Act of 1920. Up to a certain point the factories provide a training ground in the practical work; the theory and underlying principles connected with the manufacture of Dairy Food Stuffs are taught at the Queensland Agricultural College at Gatton, where a Diploma in Dairy is issued to students who qualify.

Until recently there was no special legal basis for co-operative organisation. Such co-operative organisations as were formed had to register under the Companies Acts. The Primary Producers' Co-operative Associations Act of 1923 already referred to now remedies this. The Government of Queensland has further afforded much practical help in the encouragement of the principles of co-operation as evidenced by other Acts. The public generally seem to favour the principles of State encouragement of co-operation, although the capitalistic press, while professing sympathy with the principles, is generally opposed to the carrying into effect of same.

Agricultural co-operation in Queensland, and the agricultural organisation movement, are not related to any political party. The organisation movement, however, was brought into being in the interests of the farmers by the Labour Government. Other political parties, while professing sympathy, do not seem likely to afford much practical help to Agricultural Organisation, because the interests of those supporting them are not in accord with the principles of co-operation and agricultural organisation. All farmer organisations had in the past professed to encourage co-operation, but little of a practical nature had been done. What had been accomplished had been left to individual groups of agriculturists.

The chief difficulties encountered in extending the co-operative movement in Queensland may be cited as follows :—

Queensland is a new country of vast areas, scattered population and great distances.

The Federal Constitution of Australia, and its provisions governing the freedom of interstate trade, have hitherto rendered it possible for middlemen control in other States to frustrate organised movement in Queensland.

There is difficulty in securing efficient management.

Most of the agriculturists of Queensland are pioneers, and all their available capital is required for the development of their holdings. The tendency has been for co-operative endeavour to be starved for lack of capital.

Agricultural co-operation is studied in agricultural colleges to no great extent, but education in the value of co-operation does form part of the instruction to students.

The influence of co-operation upon farming methods generally has been one for the better. Co-operation has taught the necessity of running farm business organisations on business lines ; it is also being brought home to the farmer that farming itself is a business in which it is just as necessary to employ business methods as it is in any business organisation the farmer may set up.

Other than the Market Reports little has been done in making use of co-operative societies as distributing centres of information. In the social life of the community, particularly in the dairying districts in Queensland, the better type of agriculturist aspires to a seat on the Board of the Co-operative Dairy Company. The leaders among the agriculturists are usually prominent in co-operative activities.

## NEW SOUTH WALES

Most of the co-operative organisations in New South Wales are registered under the Companies Act, and figures relative to their operations are not at present available as they are included in the statistics covering the operations of the various industries. In consequence of a general demand among agricultural producers for systematic co-operation, however, the Government has recently passed an Act which will enable real co-operative movements to be inaugurated by farmers to deal with such matters as purchase of requirements, sale of products, establishment of auction markets, conservation of fodder, and all such matters. The Act is most comprehensive as, in addition to providing for ordinary business undertakings on co-operative lines, it provides a means by which community settlements may be established. Whilst various forms of co-operative organisations already existed, this marks the first real step in putting co-operation on a sound and definite basis. An office has been established for controlling the work and in future complete statistics will be compiled showing the activity of the various societies formed or reorganised under the scheme.

There has been practically no organised propaganda designed to stimulate agricultural co-operation in New South Wales, but the "Agricultural Gazette of New South Wales," and various proprietary journals, have advocated the benefits of co-operation to farmers during the past quarter of a century.

Progress was hampered considerably by the absence of a modern law relating to co-operation. There are very few registered agricultural co-operative societies, but a large number of co-operative and quasi-co-operative organisations of producers have registered under the Act relating to joint-stock companies. In addition, co-operative trading is engaged in by a number of unregistered associations of producers. The need for new legislation has now been supplied by the Co-operation, Community Settlement, and Credit Act, 1923, which provides a comprehensive charter of co-operation, based upon the most modern statutes of the leading countries of the world. It gives special attention to agricultural needs, providing for four kinds of co-operative societies adaptable to the purposes of primary industries. These are (1) the Rural Society, (2) the Community Settlement Society, (3) the Community Advancement Society, and (4) the Rural Credit Society.

All co-operative organisations under the Act are empowered to utilise a portion of their funds in promoting co-operation; but an Advisory Council has been constituted under the Act for the purpose (*inter alia*) of advising the Minister administering the Act as to what action should be taken for encouraging and assisting in the formation of co-operative societies. This Council consists of persons representative of different forms of co-operation, with the Registrar of Co-operative Societies as chairman. Members of this Council are paid fees by the State. Agricultural co-operative societies will come within its purview, but will not be required to affiliate under it, nor to contribute towards its upkeep. The Act provides, also, for associations of societies and unions of associations for joint action by societies.

Except in dairying there is no extensive agricultural co-operation in New South Wales. Nearly the whole of the dairy factories are upon a co-operative or quasi-co-operative basis. Approximately 70 per cent. of their output is handled by co-operative wholesale distributive agencies. Apparently only ordinary trading relationship subsists between the agricultural co-operative movement and the consumer's co-operative societies. There is no apparent conflict of interests.

So far as is known, no agricultural co-operative society in New South Wales provides technical instruction and advice to members, but such activities are included among the special functions which may be exercised by rural societies under the Co-operation Act of 1923.

Agricultural co-operation in New South Wales has reached its greatest development in the dairying industry. More than 90 per cent. of the butter manufactured in New South Wales is produced in factories controlled upon co-operative principles by dairy-farmers in 97 organisations registered under the Companies Act. The output from co-operative butter factories in the year 1921-22 was nearly 90,000,000 lb., valued at over £6,000,000. Of this quantity approximately 60,000,000 lb. were marketed by co-operative agency, including 21,000,000 lb. (or nearly

two-thirds of the total exports) shipped from New South Wales by co-operative or quasi-co-operative companies.

A certain amount of progress has been made in recent years by organisations for the co-operative marketing and packing of fruit. There are now 7 such societies registered under the Co-operative Societies Act, and 3 under the Companies Act, while 5 registered co-operative societies of poultry breeders are existent. A Farmers' Co-operative Machinery and Implement Company has recently been established. Several co-operative companies conduct the operations of flour-milling and some few conduct live-stock saleyards and wool-marketing. Pastoralists are served upon co-operative lines by a Co-operative Wool and Produce Company. A number of Agricultural Bureaux (social organisations of primary producers) purchase certain requirements for their members.

No serviceable statistics can be given as the clear division between co-operative and non-co-operative ventures and the collection of complete statistics relative to co-operation is only now being provided for under the Act of 1923.

Insurance and banking are the only activities in which a co-operative society may not engage in New South Wales. However, a Rural Co-operative Society may arrange insurance on behalf of members.

Co-operative credit facilities are specially provided for by the constitution of Rural Credit Societies, which may raise loans, receive deposits, and make advances to members. The advances may be for practically any reproductive purpose which may be regarded as increasing agricultural production. A Rural Society may make advances to members against products delivered to it. A Community Settlement Society is given special powers to make loans to members with the general object of promoting or retaining rural settlement.

Accounts of societies must be kept in accordance with statutory requirements, and audited at least annually by some person approved by the Registrar of Co-operative Societies. The objects of an association may include supervision and audit of the accounts of its component societies.

There are three co-operative societies for marketing butter and other farm products, whose constituents are mainly co-operative dairy factory companies, and beyond them no effective federation of agricultural co-operative societies is yet in existence, but a movement aiming at the "stabilisation" of the dairying industry desires to unite all butter manufacturers for purposes of more effective marketing. Federation of co-operative societies is expressly provided for in the recent Act.

Section 77 of the Co-operation, Community Settlement, and Credit Act, 1923, provides that "a society may, if authorised by its rules, make a contract with a member requiring him to have any specified dealings with the Society for a fixed period . . . and the contract shall be binding upon the society and all other parties, notwithstanding that but for this Act the contract would be invalid as in restraint of trade."

Apart from those quoted above, there are available no satisfactory comparative figures of the value of products marketed co-operatively.

There is no co-operative system of transport. The railway system is operated by the State.

The State is endeavouring to encourage agricultural co-operation as part of a general policy of improving the condition of rural life, through the advisory and educative propaganda of the Department of Agriculture. These activities will doubtless be supplemented by the operations of the Advisory Council under the Co-operation Act.

State grants in aid of agricultural co-operation have never been favoured. It is believed generally that self-reliance is the proper basis for effective co-operation. However, the Colonial Treasurer may be empowered under the Act of 1923 to guarantee the bonds issued by a Co-operative community settlement society in connection with the purchase of estates for subdivision upon co-operative principles.

The agricultural co-operative movement is not related to any political party or movement. Apparently it is favoured by all political parties. Farmers' organisations generally appear to favour co-operation as an abstract idea; that of the dairy-farmers openly advocates its practical application.

Inertia, and the scattered nature of settlement in much of the interior, are the principal obstacles to the spread of co-operation, while the absence of those evil conditions which have provided an urgent driving force in other countries leaves many farmers unconvinced of the benefits claimed for co-operative organisations.

Practically no instruction is given in co-operation in the agricultural college. Agricultural bureaux, or societies of primary producers with social and educative objects, appear to be disseminating information as to the benefit of agricultural co-operation and to be making some headway in the co-operative purchase of requisites. Some few co-operative societies appear to be conducting organised propaganda in favour of co-operation, but their sphere is restricted.

The test of the co-operative initiative of the community as regards agriculture is about to begin. Lack of facilities and a considerable degree of prosperity have hitherto retarded its progress.

## VICTORIA

Victoria furnishes at least four outstanding instances of the success of co-operation in Agricultural and Pastoral affairs worthy of closer study and attention in any consideration of the application of the principles of co-operation. These are, in the Dairying industry, the Dried Fruits industry, the Wool industry, and the Wheat industry, the two former embracing co-operation in the manufacture and marketing of produce, and the two latter being restricted to marketing.

Many other efforts subsidiary in importance to those mentioned have been organised from time to time. Some of these have been entirely successful, and are still functioning to the benefit of smaller sections of agriculturists, such as fruit growers, pig raisers, onion growers, egg producers, and the like. In the majority of failures, it is said that the main cause has been lack of loyalty on the part of members of the organization in failing to supply adequate financial assistance, or in failing to support the organization by supply of produce during periods of stress when a temporary advantage could apparently be secured by transfer of



patronage to competitors. Another factor in failure has been the tendency to engage cheap and underpaid, and therefore incompetent or inexperienced staff.

### CO-OPERATIVE DAIRYING (MANUFACTURE)

The development of dairying co-operation in Victoria dates from the Exhibition held in Melbourne in 1887 and 1888, at which a model dairy was run. Here a number of students were instructed in modern dairy practice. After a period of artificial prosperity and speculation came a period of general depression and a slump in prices for all rural products, butter selling as low as 2d. per pound in Melbourne.

Benefiting from similar experience in Denmark, and knowing that a dairy factory on co-operative principles had been started in New South Wales, a delegation of farmers was sent to enquire into the conditions under which they were operated. The result was that two Co-operative Butter Factories were started in the Western District of Victoria, the Warrnamboul Co-operative Butter and Cheese Factory Company's factory at Allansford, about eight miles from Warrnambool, and the Cobden and District Pioneer Butter and Cheese Factory Co. at Cobden. The first consignment of butter from Victoria co-operative factories was sold in London in December, 1889, for 116s. per cwt. In June of that year the Government established a travelling dairy, which gave demonstrations and instructions in modern dairy practice in different parts of the State. In November of the same year there were twenty butter factories in actual operation and forty under way. At the outset the farmers were very sceptical, and gave only half-hearted support to the venture. They quickly realised the great advantages of the new system, and within two years they came to the conclusion that they could only carry on successfully by adopting co-operative principles. The suppliers to the Warrnambool Factory purchased the interests of the business people, "dry shareholders," as they were termed somewhat contemptuously. Rules were made by which every supplier had to purchase shares in proportion to the number of cows milked, and other co-operative principles were enforced, including the election of directors who were farmers.

The Government of Victoria was quick to note the possibilities of a great expansion of the industry and further realised the necessity for giving financial assistance. In the first instance, monetary aid was given for the building of creameries and installation of plants. This was promptly availed of by farmers in all parts of the State. Co-operative companies were formed, and within a few years the industry was placed on a substantial foundation. As the production of butter increased far beyond the consumption requirements of the population, the Government saw the necessity of finding markets abroad.

A cash bonus was instituted for butter exported overseas, in addition to the bonus for building and plant. The Government paid a bonus of 1d. per lb. on all butter that sold between 7d. and 9d. per lb. in London; 1½d. for butter that brought 9d. and under 11d. per lb.; 2d. for 11d. and under 1s.; and 3d. for butter that sold for 1s. or over. From that action dated a period of prosperity which has continued ever since, with periodic checks owing to dry seasons. In 1889, the amount of butter

exported was 227 tons ; in 1894, 9,967 tons was exported ; in 1906, 16,665 tons, and in 1911, 22,905 tons valued at £2,565,468. In 1921, the value of dairy products exported from Victoria was: Butter, £4,027,256 ; Cheese, £48,251 ; Milk and Cream, £1,123,352 ; or a total value of £5,198,859.

Many of the dairy companies have during the last few years developed a large general trading business in conjunction with their dairying activities. A notable instance is the Great Southern Co-operative Co., Ltd. In 1906, they manufactured 89 tons of butter, worth approximately £9,968, and in 1922-23 the amount of butter made was 564 tons, worth about £109,252, with a total turnover of £110,185 in the butter factory, and £80,159 in the Store Trading Account, which includes practically everything required by a farmer and his family.

#### CO-OPERATIVE DAIRYING (MARKETING)

For about 16 years, dairy farmers through the co-operative dairy companies, entrusted the marketing of their produce to agents. They were convinced, however, that they would not receive the full benefits from their co-operative efforts until they controlled the marketing of their produce also. Co-operative Distributing Companies were formed and constitutions framed by which the farmers could undertake the marketing of their produce. Three of these companies are now firmly established ; one dealing chiefly with the Western District, another for the Eastern and Northern, while a third extends its activities in other directions. These co-operative marketing companies have proved very advantageous to the dairying industry ; they exercise a powerful influence in the control of prices, and in checking the speculative control of the market.

It is claimed that by co-operation the producer and consumer have been brought into closer business relationship, the speculative influences have been checked, and the market is given fair play. Undoubtedly, the monetary gain to the dairy farmers has been considerably increased.

Each co-operative distributing company has established selling floors in Melbourne to sell to retailers throughout the State. They have agencies in other States and in other parts of the world. They also supervise the selling of produce in the United Kingdom. Their revenue is derived from a commission charged for selling—to-day this is 3 per cent. From earnings thus derived they defray the cost of distribution in all markets of the world, and the surplus is devoted to building up capital and reserves, to establishing other business on co-operative lines, to paying dividends to shareholders, and to cash bonuses to consignors. They control the sale of butter and cheese to the value of about £4,500,000 per annum. While the three co-operative distributing companies may overlap in their activities to a certain extent, yet they work together and confer in regard to all matters pertaining to the welfare of the industry as a whole. For instance, they have amalgamated in two important directions by establishing an insurance company and in erecting box works. For these purposes they subscribed a capital of £37,500 to the Co-operative Insurance Company, and a capital of £60,000 to erect box works. Each company has a continuous audit, that is, auditors are appointed by shareholders who work continuously in checking books and documents, and present balance sheets half-yearly.

The three co-operative distributing Companies perform other functions in the interests of farmers, they supply the butter and cheese factories with all requisites such as parchment paper, salt, preservatives, rennet, etc. Two of them undertake the selling of farm produce—potatoes, onions, cereals, hay, etc. One Company has extended still further by selling wool, wheat, cattle, sheep, etc., in fact, everything produced on the land, and also carries on a very extensive business of Stock and Station Agents and Auctioneers.

#### MANUFACTURE AND MARKETING OF DRIED FRUITS

Among examples of agricultural co-operation in Australia, none perhaps is more interesting than the somewhat loose affiliation of kindred trading concerns termed the "Australian Dried Fruits Association," and familiarly known throughout Australia as the A.D.F.A.; nor is there any which has had a more beneficial influence on the whole industry, the handling of the products of which is the chief concern. It is, indeed, not too much to say that the remarkable growth of the dried fruits industry in Australia could not have taken place without its stabilising influence. And yet it is vastly different in its constitution and methods from most co-operative concerns; the chief points of difference from ordinary co-operative institutions being that—

- (1) It is not a trading concern—it neither buys nor sells, but it fixes prices and standards and regulates the conduct of sales by affiliated agents.
- (2) It is entirely voluntary—no agreements are signed by it or by any of those affiliated with it.
- (3) It does not exercise control over affiliated concerns or interfere in their business beyond the fixing of prices and the exercising of supervision over affiliated packers to see that packing and grading standards are complied with.
- (4) It is not a central organisation with subsidiary branches, each with an identical constitution. It has local branches in important centres of production, which, like the central body, are not trading concerns. It also includes affiliated concerns quite heterogeneous in nature, including co-operative societies properly so-called, Proprietary Packers (Companies) and Private Packers.

To-day the A.D.F.A. controls about 95 per cent of the dried fruit produced in the Commonwealth. There is very little "non-association" or "outside" fruit. It will thus be seen that the association has the confidence and support of the whole dried fruit industry, and justifies the claim that the A.D.F.A. is analogous to a growers' Trade Union as its constant aim is to secure a living wage for the grower in the shape of a "payable price" for his fruit.

In order to explain the development of the A.D.F.A. it is necessary to first briefly trace the development of the Murray River settlements, the chief of which are Mildura (Vic.) and Renmark (S.A.). The history of Mildura as an irrigation settlement, commences in 1887 when the Mildura Irrigation Colony was founded by Chaffey Bros., who received a grant of 45,000 acres of land from the Victorian Government in that year. The

concession came under the control of the first Mildura Irrigation Trust. Rapid progress was made. The application of water converted this region, so arid in its natural state, seeing that the average rainfall is only some 9 inches, into one of great fertility. An elaborate pumping scheme, including three main pumping stations, was installed, the land was divided into small blocks suitable for intense culture under irrigation, and nearly 200 miles of channels were constructed. By 1919 over 12,000 acres of vineyards and orchards were established at Mildura as well as 5,000 at the adjacent Merbein (formerly White Cliffs) settlement. Renmark, in South Australia, on the same river, was also founded by Chaffey Bros., about the same time as Mildura.

In 1893, before the advent of Federation, the output of raisins and other dried fruit had overtaken the demand of the then colony of Victoria. Matters got to such a pass, owing to the cutting of prices, that dried fruit sold for less than it cost to produce, and many growers abandoned their holdings. The Mildura Raisin Trust was formed in 1895. Growers who stuck to their holdings received more encouraging prices, and the agreement was renewed under the title of the Mildura Raisin Trust 1896. Renmark fruit, however, came into competition without any control, and in 1897 the trust was reorganised under the name of the Mildura Dried Fruits Association. This body underwent various vicissitudes, it was even closed for a few months owing to a break away. Numerous meetings were held and in 1907 the Australian Dried Fruits Association was formed, which continued with only minor alterations in its constitution until last year, when a reconstruction scheme was drawn up and finally adopted.

The A.D.F.A. is an organization of growers, their agents attend the conferences as expert advisers only, and their advice is accepted or disregarded as the growers may decide. On matters of administration and prices, only growers have a vote. Prior to the recent re-organization it was necessary that every vote should be unanimous. This, however, has been altered, a four-fifths majority being now necessary.

Pooling of sales results, of each season's dried fruits, is conducted by a special committee; there are also several funds, such as the equalization fund, freight and interstate fund, etc., which contribute to the same end, that growers in the respective States shall receive the same net return from their fruit in the respective grades. Expenses are met by a levy on the growers on a tonnage basis. Previously, one regular annual Conference was held, with such special conferences as might be found necessary. This has now been altered and monthly meetings of Conferences are regularly held.

The functions of the A.D.F.A. are briefly—

- (1) To so grade and classify the whole Australian pack of dried fruits that an Australian standard of quality is established.
- (2) To promote sales throughout the Commonwealth.
- (3) To apportion the amount of fruit sufficient for Australian requirements and the amount to be exported.
- (4) To regulate prices to the merchants according to commercial and market values, so as to check speculation and protect both grower and consumer.

- (5) To lay down "Terms and Conditions" of sale and to adjust the following—  
 Proper terms of payment by merchants;  
 Proper terms of delivery;  
 Proper prices to retailers.
- (6) To deal with all problems and matters affecting the industry and all its branches, growing, processing, packing and distributing in such a way as to assure to growers a profitable return for their labour, and to the consumer, quality fruit at fair prices.
- (7) To conduct Publicity Campaigns and Propaganda work, including exploration and study of new markets.

Since the re-organization of the A.D.F.A. in 1907, its progress has been steady. The A.D.F.A. controls the sale of all kinds of dried fruit in Australia, but the proportion of such fruit, other than grapes, is of minor importance. The Australian pack of dried fruits in 1923 totalled 27,003 tons, of which 25,709 tons were dried grapes, and 1924 tons other dried fruits.

It is estimated that the A.D.F.A. controls the sale of about 98 per cent. of the sultanas, 90 per cent. of the currants, and 98 per cent. of the Lexia raisins produced in Australia. The following table shows the Australian production of Dried Grapes from 1910 to 1923 :

YEAR	Raisins					Currants
	cwt.					cwt.
1901-2	..	..	..	..	34,872	5,959
1909-10	..	..	..	..	108,852	63,460
1910-11	..	..	..	..	114,063	66,655
1911-12	..	..	..	..	137,575	93,484
1912-13	..	..	..	..	144,925	100,545
1913-14	..	..	..	..	155,851	111,268
1914-15	..	..	..	..	149,891	55,705
1915-16	..	..	..	..	247,068	140,617
1916-17	..	..	..	..	184,165	120,715
1917-18	..	..	..	..	151,314	109,575
1918-19	..	..	..	..	170,381	132,675
1919-20	..	..	..	..	280,452	142,833
1920-21	..	..	..	..	168,177	136,481
1921-22	..	..	..	..	270,020	162,136
1922-23 (A.D.F.A. estimate)	..	..	..	..	348,780	164,680

#### CO-OPERATIVE WHEAT MARKETING

During the war a compulsory Wheat Pool was run by the Government, but after its war time business was settled this phase of control was relinquished. The Victorian Wheat Growers then formed a voluntary wheat pool under the name of the Victorian Wheat Growers Corporation Limited, registered under the Provident Societies Act, 1915. The objects of this corporation are :—

- (a) To promote and arrange the marketing of wheat grown in the State of Victoria and in those parts of the States of the New South Wales and South Australia from which wheat can be conveniently marketed in or from the State of Victoria in such a manner as to secure to the vendors of wheat to the Corporation the full benefit of the co-operative marketing of wheat.
- (b) The purchase and sale in Australia or overseas of wheat or the gristed products of wheat at such terms and upon such conditions as may be expedient to enable contracts entered into by the corporation to be fulfilled, or conducive to the better effectuation of the first named object.
- (c) To accumulate a reserve fund for the purpose of enabling the Corporation to better effectuate the first named object.

The capital of the Corporation is raised by the issue of an unlimited number of shares of £1 each. Only wheat growers are eligible to hold shares. No member can hold less than ten or more than two hundred shares.

The management of the Corporation consists of five Directors elected by ballot of the members of the Corporation, one of whom is Chairman. The Chairman receives a salary of £600 per annum and other directors a salary of £500 per annum. The duties of the Directors include the purchase of wheat from wheatgrowers in Victoria and those parts of New South Wales and South Australia from which it is considered convenient to market in or from Victoria such wheat; to do all things necessary in connection with receiving, storing, transporting, insuring and reconditioning; to sell the wheat and gristed products for cash or terms as the Directors deem fit; to enter into contracts with millers or others; to borrow or raise money or make guarantees or other arrangements necessary for the working of the Corporation, including amounts necessary for making interim advances to growers on account of wheat delivered by such growers; to pay interest at the rate of not less than 5 per cent. per annum upon paid up share capital and to charge the payment of such interest as a working expense of the handling of the wheat.

An amount not exceeding one-eighth of a penny per bushel of wheat received by the Corporation in each season may be deducted from the net amount of the proceeds of realizations and placed to a Reserve Fund, which fund may be used for all purposes in furtherance of the general objects of the Corporation, including the payment of advances to growers on account of wheat sold to the Corporation.

The mode of payment to wheat-growers is by amounts per bushel of wheat from time to time as the Board of Directors may determine. Upon the issue of certificates for wheat delivered, a first advance is made in exchange for a portion of the certificate marked "Certificate for first advance"; the remaining portion, marked "Certificate for surplus," entitles the grower to receive the subsequent advance or advances.

The balance of the purchase money is payable by instalments from time to time as the Board of Directors may determine. In order to finalise a pool of any season the Board of Directors makes an assessment of the total value of the assets and liabilities outstanding or yet to be

incurred; the assets are then credited to the Reserve Fund and the amount of difference between the assets and liabilities is forthwith made available from the Reserve Fund for the purpose of distribution to the vendors of wheat.

Of the 1922-23 harvest the Corporation received from growers 20,127,671 bushels of wheat, equivalent to probably 75 per cent. of the Victorian wheat harvest available for sale. Over eight million bushels were sold for overseas—the balance sold locally. Advances to growers, totalling 4s. per bushel less dockage and rail freight, were amounting to £3,626,938. The total turnover was £4,295,814.

### CO-OPERATIVE WOOL MARKETING

The British Australian Wool Realisation Association, Limited, registered under the Victorian Companies Act, is the largest Trading Company, in respect of its capital and the number of its shareholders, ever established in Australia, and the whole of its assets have been supplied by the wool producers of the Commonwealth. This Company was formed after the War to obtain control of half the surplus assets of the Australian section of the wool purchase account of the British Government, consisting of about 900,000 bales of wool and a number of million pounds sterling which was their share of the cash surplus over all liabilities of that account. The registered capital of the Company is £25,000,000 divided into ordinary transferable shares and debentures.

On 27th January, 1921, the Company entered upon the task of disposing of 1,800,000 bales of Australian wool, together with 800,000 bales of New Zealand and 300,000 bales of Cape and other wools.

The Directorate consists of eleven members, constituting an Australian Board of six members and a London Board of five members. The share registers contain 70,000 names. The appraised value of the wool which a Grower had contributed to the Imperial Wool Contracts was taken as the basis for arriving at his holding in the new Association. The producers or owners numbered at least 120,000 and their separate wool accounts over four years totalled approximately 150,000.

The aggregate appraised value of the wool supplied during the contracts, covering four wool seasons, amounted to £153,743,857 sterling. The assets in cash and kind of the new Association were valued at £22,000,000. Therefore the grower's holding in the Association would bear the same relation to the total appraised value of his wool during the Wool Contract's period as £22,000,000 bore to £153,743,857. This was equivalent to 14.309515 per cent. or approximately one-seventh. The shares were issued in fully paid up £1 shares to the value of £12,000,000 and Priority Wool Certificates to the value of £10,000,000.

The stocks of B.A.W.R.A. wool on hand on the 1st January, 1922, amounted to 587,887 bales and were valued at £8,542,167 13s. 3d., equivalent to £14 10s. 7d. per bale. The sales during the year of 310,171 bales of B.A.W.R.A. wool gave a gross return of £7,185,198 7s. 1d., equal to £23 3s. 3½d. per bale. Stocks of B.A.W.R.A. wool on hand at 31st December, 1922, amounted to 277,622 bales valued at £3,718,041 5s. 1d., equivalent to £13 7s. 10½d. per bale. Sales of wool effected by B.A.W.R.A. during the year 1922 aggregated 977,119 bales, being 310,171 bales of

B.A.W.R.A. wool, and 666,948 bales of British Government owned wool, including 276,122 bales of New Zealand and 80,655 bales of South African grown wools.

The cost of administration in England and Australia on account of B.A.W.R.A. wool amounted to £65,880, equivalent to 0·917 per cent. of the gross amount realised from sales, or 4·297d. per bale. The Balance Sheet for the year showed a net surplus of £1,210,865 5s. 7d. The report claims that the results prove conclusively the benefits which have been derived through co-operation and co-ordination in the disposal of wool.

#### CO-OPERATION IN THE BACON INDUSTRY.

Several attempts had been made to start bacon factories on the co-operative principle, but there were no compulsory clauses in the Articles of Association, and vested interests were always too strong against them. However, in 1910 two factories were started under conditions which included the compulsory clause to the effect that "every shareholder shall guarantee to supply to the Company all the saleable fat pigs he owns and any shareholder failing herein or in keeping to his guarantee shall be fined and shall pay to the Company a sum of 10s. per pig in respect of every fat pig otherwise disposed of by him, and such fine shall be recoverable by the Company from the offending shareholder as money due by such shareholder to the Company on accounts stated, but this article shall not apply to boars or to sows in farrow nor to young pigs under 80 lbs. dead weight nor to pigs sold to any other shareholder or consumed in his own home." On the other hand the Company contract to accept all healthy fat pigs consigned to them.

After a few adverse experiences these factories prospered and have been of great value to pig breeders generally. Before these co-operative factories started the trade was subject to extreme fluctuations, prime bacon pigs sometimes selling as low as 2½d. to 3d. per lb. with young pigs unsaleable. These co-operative factories have never paid less than 6d. per lb. and sometimes over 1s., carcase weight. These factories are run on thoroughly up-to-date lines.

#### CO-OPERATIVE INSURANCE

There are two co-operative Insurance Companies in Victoria. One of these was established during the war and owing to difficulty with regard to finance during that period the necessary capital was provided by three co-operative selling and distributing companies. The authorised capital was £100,000, and the above three companies subscribed £37,000. Then other co-operative selling companies in New South Wales and South Australia became shareholders by subscribing over £40,000 of capital; while now there are 70,000 farmers and graziers represented by these Companies. The progress of the Company has been very satisfactory, as will be seen from the fact that the income from premiums for the fourth year of operation, ending March 31st, 1923, amounted to £122,056. Each year 7 per cent. interest on subscribed capital has been returned to the shareholding factories, which of course in turn return it to their farmer shareholders. The objects of the Company were to undertake and carry on the business of Fire, Marine, Accident, Employer's Liability,



Workmen's Compensation, Fidelity, Guarantee Indemnity, Mortgage, Third Party, Storm, Vehicle, Plate Glass and Live Stock Insurance ; in fact, everything but Life.

It is now proposed to alter the Article of Association to permit any co-operative Company to become a shareholder.

#### FRUIT COOL STORES

Cool Stores for the storage of Fruit are established in many of the districts of the State. They are organised and managed by Co-operative Companies created for the purpose. Monetary advances to provide the initial capital are made by the Government, under legislation.

#### MEAT FREEZING WORKS

Four co-operative meat freezing works are established in the State of Victoria in the country districts, namely at Bendigo, Ballarat, Donald and Murtoa. These also are capitalized by advances from the Government, under legislation.

#### LEGAL BASIS OF CO-OPERATIVE ORGANISATION

Most of the co-operative organisations are registered under the Companies Act as Trading Companies. This Act provides all machinery, rules and obligations, giving the legal status, and providing safeguards for shareholders and others. A few are registered under the Friendly Societies Act.

With few exceptions these organisations provide for voluntary co-operation ; there is no compulsion. Shareholders are permitted to exercise their own discretion as to whether or not they do business with or through their co-operative companies.

#### STATE ATTITUDE

The State Government of Victoria gives monetary aid to certain co-operative companies, chiefly in the form of advances, to be repaid over a long term of years at a low rate of interest, under the Fruit Act, 1917, and the Primary Producers' Advances Act, 1919. These Acts do not apply exclusively or specifically to co-operative societies, but a clause in the Advances Act provides that : " A loan under this Act shall not be granted to any company unless a three-fifths majority in number and value of the shares in the company are held *bona fide* by shareholders or members thereof being persons engaged in the production of any primary products supplied to the undertaking of the company."

#### SOUTH AUSTRALIA

The Co-operative movement amongst agricultural producers of South Australia has made comparatively little progress. While there is a limited number of Co-operative Societies for the manufacture of butter and cheese, the greater proportion of the output of these products comes from factories that cannot be so regarded. A few Co-operative organizations of fruit-growers have been formed for the erection of county Cool Stores ; these

also only deal with a small proportion of the fruit produced. Co-operative action on a limited scale for the marketing of dried fruits has been achieved, but the Australian Dried Fruits Association, which has branches in the various States, has not been a financial organization and scarcely comes within the scope of enquiry. There is no central body responsible for organisation or propaganda work and there are no reliable statistics available concerning output, purposes, requirements, classification of societies, membership, and so forth.

## *New Zealand*

The story of the expansion of the dairy industry in New Zealand is also one of the most impressive chapters in the history of Co-operative organization. As in the case of Denmark, there is abundant evidence that effective organization, on right principles and for proper objects, has been the key to the markets of the world for the New Zealand farmer. Whereas ten years ago the Dominion supplied Britain with but 18,773 tons of butter, last year the quantity was 67,173 tons, or 25 per cent. of her total imports. In cheese the Dominion's contribution was 54 per cent. of Britain's importation. With the material available it is not possible, however, to give a complete record of the part which New Zealand Co-operation has taken in this enrichment of the Dominion, but it has been a leading one throughout the years of this progress, and some indications of its principles and practice, and of the causes of progress, may be found in what follows.

In the North Island an amalgamation of Dairy Factories has been effected in the constitution of the New Zealand Co-operative Dairy Company, the head office of which is at Hamilton, New Zealand. This company controls 59 factories and creameries scattered at intervals over a territory of 159 miles in length by 60 miles in width and catering for 8,000 suppliers.

The circumstances under which the amalgamation was brought about are set out in the following letter from the company :—

“ Before the amalgamation in 1919 and 1920 the dairy industry in this district was served by three fairly large co-operative dairy companies—the New Zealand Dairy Association, the Waikato Co-operative Dairy Company and the Thames Valley Dairy Company. Competition between the first two named was particularly keen. The Dairy Association had developed under the old creamery system, and was the older company. The Waikato Company had started about 1909, and by the prosecution of the Home Separator movement had made a very rapid growth. It was found that the competition between these two companies added to the cost of administration by the employment of canvassers and to the cost of manufacture by reason of the fact that some factories were not sufficiently patronized, while others might be overloaded. These factors led to a desire for amalgamation which aimed to eliminate the unnecessary expenses of competition between co-operative companies. The negotiations to this end occupied some time, but eventually were consummated in 1919, and in the succeeding year the Thames Valley Dairy Company also amalgamated.

"The three main objectives aimed at in the amalgamation were to effect improvement in (1) manufacture; (2) quality; and (3) marketing power. Reductions in manufacturing costs were secured by (1) cartage routes being properly organized and avoiding duplication; (2) each factory being organized to handle the supply most conveniently situated to it; (3) bulk buying of factory requisites being introduced."

Of the three constituent companies, the New Zealand Dairy Association, Ltd., began its existence as a co-operative concern in 1901, when 847 shareholders agreed to take over at a price of £40,000 the business operated by the N.Z. Dairy Association. The Association had an output of 1,200 tons, of which 400 tons were consumed on the local market, and 800 tons exported to London. The business equipment consisted of two central factories, one at Pukekohe and one at Ngaruawahia, and 40 creameries. The creamery system was the basis upon which the business had been developed. The Company undertook to erect a creamery in any district which would guarantee 250 cows.

The Thames Valley Co-operative Dairy Company, Ltd., was formed in 1901 and for the season ending 1902 had 67 suppliers. In the first season 94 tons of butter were made, of a gross value of £7,275. The turnover in the final year of independent existence was over 100 times greater. In its later stages the company began an ambitious enterprise in a large dried milk factory at Waitoa—now the largest of its kind in the world.

The Waikato Co-operative Dairy Company, Ltd., had an interesting origin. It began the business as a proprietary concern in a small way in 1909, but at the end of the first season the company was reorganized on a co-operative basis. The farmer suppliers, however, were slow in taking up shares, and it was not until it was made worth their while by an extra bonus paid to shareholders as against non-shareholders, as an inducement to take up shares, that the Company began to feel its way into active co-operation. Amalgamation with the N.Z. Dairy Association was finally effected in 1919.

To return to the company's letter, the first result of amalgamation recorded is a reduction in manufacturing costs. "The average costs of manufacture of our butter, including cost of rail freight on cream to the factory, and on the manufactured goods into the freezer, and allowing for depreciation on plant, is 1.4 of a penny per lb. The economies in administration due to amalgamation have reduced our manufacturing charges considerably.

"A very potent argument in favour of amalgamation was the improvement to be effected in quality. The competition existing before the amalgamation, meant that when a supplier became dissatisfied he simply transferred his patronage from one factory to another, and this operated to force the companies to accept cream that should have not been accepted, rather than lose supply. The outcome of this was that a very unsatisfactory grade of butter was made in those days. The

average grade before amalgamation was 89 points. This was quite unsatisfactory, and consequently immediately amalgamation was effected three main steps were taken to improve the quality of the company's butter, viz :—(1) introduction of a grading system ; (2) establishment of dairy instructors : and (3) establishment of a monthly newspaper.

“ By the grading system a premium of  $\frac{1}{2}$ d. per pound was given for superfine cream over a standard price fixed for first grade, and a penalty of 1d. (afterwards increased to 2d.) imposed for second grade. The standard was fixed as follows : Superfine cream was cream that when manufactured into butter would yield a butter grading over 91 points. First grade was cream which when made into butter would grade from 88 to 91 points ; and second grade was that which would fall below 88 points.

“ Simultaneously dairy instructors were appointed, arrangements being that two-thirds of their salaries was provided by the Dairy Division of the Department of Agriculture, and the whole of their travelling expenses, while the company contributed the remaining one third of their salary. At the present time twelve of these instructors are employed.

“ They are armed with drastic powers, which they exercise with discretion and restraint, but they have power to close up a shed, and refuse supply if it is not in a fit condition. In actual working practice they concentrate upon the second grade article, with a view to improving it and so improving the general quality of the company's product. Viewed at first with some suspicion and distrust by the farmers, they have won their way into their confidence, and undoubtedly deserve a great deal of the credit for the improvement that has taken place.

“ The net results of the efforts made to improve the quality of the company's butter are shown in the following table, revealing the history of the past four years :

	Output Tons	Superfine	Ist Grade	2nd Grade	Average Points
1919-1920	10,395	60	32	8	90.5
1920-1921	12,600	72.25	20	7.75	91.4
1921-1922	18,218	74	18.5	7.5	91.54
1922-1923	22,020	87.76	9.41	2.83	92.61

“ The improvement in the ability to market the supplier's produce has been affected by the amalgamation, because it has concentrated a large quantity of produce under one control, and has consequently enabled pressure to be brought to bear upon the market when advisable. It has also made it possible to supply big quantities of standardized butter to meet consumers' demands, and has so simplified the task of the whole distributor. To facilitate the marketing of the company's production it has been found advisable to open a London office, where the London manager of the company exercises control over the activities of the four distributing agents through whom our produce is marketed. He himself does not engage in the selling of our produce, but oversees their activities in this direction.”

Another New Zealand system of co-operative marketing, in connection with the British Co-operative Wholesale, is referred to under the heading of "Overseas Marketing," and New Zealand is also represented in the Overseas Farmers' Co-operative Federations, Ltd., of which an account is given in the same chapter.

## *South Africa*

Co-operation in agriculture in South Africa is a development of the last 20 years. The first legislative recognition in South Africa of the need of co-operation among farmers was the adoption in Natal in 1904 of an Agricultural Development Act which empowered the Government to advance loans to assist farmers in the establishment of co-operative organizations. But little or no advantage seems to have been taken of this facility. Co-operative development really dates from some years later, when a number of Joint Stock Companies with co-operative principles were formed under the Companies Act. Of these the Creamery Companies have been the most successful. They are the pioneers of the dairy industry and are largely responsible for the excellent progress it has made in the Province.

In the Cape Colony a general co-operative movement was initiated in 1905, when an Act was passed authorising Government loans to be made to co-operative organizations. An expert was appointed by the Government to organize the farmers, and in due course a large number of co-operative winery and creamery societies were established and registered as Joint Stock Companies under the Cape Companies Act. Unfortunately the high hopes entertained of these societies were not realised. Little or no supervision was exercised by Government over their operations, and errors of management and organization after some years brought about a position of virtual insolvency. Official investigation showed that some had incurred higher capital expenditure than was justified by their turnover, while with others the action of the shareholders in paying themselves higher prices for their produce than were justified by the trading returns was the responsible factor. A proportion of the Companies survived the investigation and are to-day doing good work.

What might be called a second co-operative movement has arisen in the Cape Province within the last 10 years and has resulted in the formation of a large number of societies, the majority of which are successfully fulfilling their objects.

In the Transvaal, the Movement began in 1908. At that date, the difficulty farmers were experiencing in disposing of their produce profitably had become an urgent problem, and the Transvaal Government decided to encourage the development of co-operative methods of marketing in every way possible. As a first step an Act regulating the registration and management of societies was passed. This secured the adoption by societies in the Transvaal of strict co-operative principles and to it must be ascribed the fact that the movement made more progress in the Transvaal during the following 14 years than in any other part of South Africa.

An exactly similar enactment became law in the Orange Free State in 1910. Prior to this the only co-operative undertakings which achieved any degree of success in the Province were a number of creameries engaged in a modified form of co-operation and registered under the Companies Law. These were given assistance from public funds, and have on the whole made good progress. Up to 1916, however, very little further development took place. At that date a new movement arose among the maize farmers, as a result of which a number of very influential societies formed under the Co-operative Societies Act are operating to-day.

All societies established under the Transvaal and Free State Acts mentioned above were required to adopt the principle of the unlimited liability of members. They are financed by the Government Land and Agricultural Bank, which grants fixed loans repayable over a number of years for the erection of building and plant, and seasonal cash credit loans for the payment of advances on produce.

To administer the Transvaal and Orange Free State Co-operative Acts a separate Division of the Agricultural Department was created and placed in charge of a Registrar who was also made responsible for all general propaganda and organization work. In a short time societies were organized in almost every district of the Transvaal, and it became necessary to establish a Central Agency to handle the distribution and marketing of their produce. In due course such an Agency was formed in Johannesburg with Government assistance.

Soon after the initiation of the movement in the Transvaal it became apparent that a close supervision would have to be exercised over the conduct of affairs at the district societies. The directors, being farmers, were seldom men with commercial experience, and they were often completely under the control of local men who had no particular qualification for the post of manager and who perpetrated every possible outrage on accepted business principles. On recognition of the necessity, the Government appointed two Inspectors to the Registrar's staff. Their investigations showed that some few societies had made good progress, but that a great number were either hopelessly involved or on the verge of bankruptcy. Of the 30 active societies registered 14 were dissolved. The others effected a thorough reorganization and succeeded to a very large extent in retrieving their position.

As will appear from the above, co-operative associations in the Cape and Natal Provinces were registered under the Companies Acts of these Provinces, and received little supervision from Government sources. In the Transvaal and Orange Free State, societies formed with unlimited liability were registered under Co-operative Acts, while all limited co-operative associations were governed by the ordinary Companies Laws.

In 1922 circumstances induced the Government to secure the adoption by Parliament of a new Union Act regulating the formation, registration and management of co-operative societies and companies. This Act made it possible to form and register co-operative associations with limited liability, and has thus encouraged sections of the farming community to co-operate and obtain assistance from the Land Bank, which were previously deterred by the unlimited liability principle on which the registered societies were working. The Act also required all existing organiza-



tions of a genuine co-operative nature, established under the Companies Laws, to register with the Registrar of Co-operative Societies. In doing so they were allowed to retain their existing Articles of Association if desired. All new associations formed must, however, comply with the following fundamental principles :

- (a) Membership to be confined to producers ;
- (b) The association to act as the agent of the member who receives the full price realised by his products less a charge made for administration expenses, for a Reserve Fund to serve as working capital and, in the case of shareholding associations, for a limited interest on paid up share capital ;
- (c) The association not to trade or carry on any of its operations on behalf or for the benefit of any person who is not a member ;
- (d) The operations of the association, through a restricted voting power, to be controlled by persons and not by capital ;
- (e) The capital of shareholding associations (limited) not to be fixed but to be variable in amount according to the nominal value of shares subscribed from time to time—as membership increases the capital to increase ;
- (f) Any accumulated funds to be distributed only on dissolution of the association, and such distribution to be made on the basis of the business transacted with the association by each member, after, in the case of a limited company, the paid up share capital has been refunded to members.

The new legislation was welcomed throughout the country and farmers in almost every district set about the formation of associations. Propaganda by the Registrar was hardly necessary, the main difficulty being to guard against the registration of organizations whose business prospects were not such as to give them a reasonable hope of success.

It is part of the Registrar's duty to assist in the establishment of co-operative organizations, and for this purpose an official is sent whenever possible to attend meetings and to enquire into local conditions. The Registrar undertakes the drafting of Regulations for new associations and everything possible is done to smooth the way for registration, provided always that the prospects of the new business are approved. Once they are registered they are given assistance and advice in regard to their bookkeeping and business methods, and a certain amount of supervision is exercised by means of occasional audit inspections conducted by officials. The Registrar is thus enabled to exercise a great influence on the conduct of affairs and is looked to by the farmer-directors for practical help and guidance at every point.

There are to-day some 223 co-operative agricultural societies and companies registered in the Union, with a membership of 32,696. It is to be noted that there are some 80,000 European farmers in the Union.

The movement among consumers has not developed to anything like the extent it has in the older manufacturing countries. There are only 10 such societies in the Union with a membership of 7,544. Their dealings being confined almost entirely to manufactured articles, they have no direct business connection with the agricultural organizations.

Of the 223 agricultural societies and companies mentioned, 86 are organized on a limited liability basis, while 137 are with unlimited liability. The following is a classification of the active co-operative agricultural associations.

CLASSIFICATION	Total No. of District Societies & Companies	Central Companies	Federal Companies	No. with unlimited liability	No. with limited liability
Maize and General Produce	33	1	1	31	4
Wine .. .. .	7	—	—	7	—
Tobacco .. .. .	3	—	—	2	1
Sugar .. .. .	2	—	—	2	—
Meat .. .. .	3	—	—	3	—
Wool .. .. .	5	—	—	2	3
Cotton .. .. .	5	1	—	1	5
Fruit .. .. .	38	6	1	2	43
Dairy .. .. .	21	—	—	6	15
Egg .. .. .	8	—	—	—	8
Timber .. .. .	3	—	—	—	3
Pea-nut .. .. .	1	—	—	—	1
Chicory .. .. .	1	—	—	—	1
Threshing .. .. .	1	—	—	1	—
Labour .. .. .	1	—	—	—	1
Orchard Fumigation ..	1	—	—	1	—
Insurance .. .. .	1	—	—	—	1
Livestock .. .. .	79	—	—	79	—
	213	8	2	137	86

It will be noted that while there are a number of specialist societies, such as creameries, dealing with a particular type of produce only, the circumstances of the country have led to the larger organizations handling all types of general produce. In the vast majority of cases the purchase of farming requirements constitutes an important part of the business.

Societies and Companies established under the Act are not permitted to purchase produce. They act solely in the capacity of agents for their members, who are required by the Regulations to sell the whole of their crops through the associations, with the exception of what they require for their own personal consumption. The obligation to deliver is inherent in membership itself and no special contract in regard to the produce is necessary between the member and his society. The position is exactly similar as between societies and their Central Organizations.

The Regulations of a society may provide for the imposition of fines for disloyalty. The right to fine was specifically recognised in the Co-operative Act of 1922. In this respect it followed an earlier Act adopted in 1917. Much experience has shown that the marketing conditions in the backveld districts, the scattered nature of the farms, and other special circumstances, tend to encourage the evil of disloyalty, one of the chief hindrances to progress.

The general produce societies are in the aggregate the most important as far as members and value of business are concerned. The societies of this type in the Transvaal and Orange Free State, some 24 in number, deal principally in maize, which they market through the Central Agency for Co-operative Societies Limited, in Johannesburg. This is the large Central Co-operative Company controlled by the district Societies, who subscribed its capital in the first place in proportion to the value of their business with it. The grain is dealt with in seasonal Pools. At the beginning of such season each district society holds a special meeting of members to secure the necessary authority to apply to the Land and Agricultural Bank for a cash credit loan for the season. These loans are limited by the bank to 60 per cent. of the estimated value of the produce received, and societies make proportionate advances to their members. As sales are effected, repayments are made direct by the Central Agency to the bank until the Society's loan is adjusted. Funds then become available for an interim payment to members. On the closing of the season's Pools the final payment is made. This usually takes place some months before the next season's maize can be delivered.

The Central Companies formed by the district associations may in turn establish Federal Exchanges when necessary. Only two such Federal Companies have hitherto been registered, so that the central companies undertaking bulked sale of produce and purchase of farming requirements fill a most important place in the co-operative system. Central companies have been established to deal with cotton, maize, fruit and general produce.

The two Federal Companies referred to above are the Fruitgrowers Co-operative Exchange of South Africa, Limited, whose headquarters are at Cape Town, and the Federated Farmers' Co-operative Association of South Africa Limited, established in Johannesburg. Both are exporting bodies. The Fruit Growers Exchange was formed to control export and to regulate conditions which had caused severe losses to growers throughout the country. It is supported by the majority of the citrus planters as well as the deciduous fruit farmers of the Western Cape Province. The working funds are obtained by means of a levy, imposed by Government at the request of the growers, of 5/- per shipping ton of fruit exported.

The Exchange has established control of shipping space and by obtaining fortnightly estimates of despatches from the districts has enabled fruit for export to be dealt with in a much more satisfactory and expeditious manner. In the disposal of the fruit the grower's free choice of salesmen has not so far been affected, nor have the members adopted a uniform brand; but the Exchange, through its London representative, keeps the market posted with particulars of consignments despatched, and generally supervises affairs.

The Federated Farmers Co-operative Association has an active membership of 21 co-operative companies, but with subsidiary companies connected with those affiliated the total number on behalf of which the federation exports produce and purchases requirements is many times more. It has established its position as one of the largest buyers of farming requisites in South Africa, while its membership in the Overseas Farmers

Co-operative Federations Limited in London enables it to import bulk requirements direct from the factory. Its large turnover and co-operative shipping arrangements have secured important advantages to its members. Finally, by combining the whole of the Fire, Workmen's Compensation and other Insurances, previously paid by the individual companies, it has effected considerable savings.

There are possibilities of great developments in connection with the company in the near future.

It would be most interesting, as an indication of the progress made by agricultural co-operation in South Africa, to compare the annual value of the country's principal agricultural products and agricultural exports with similar statistics in regard to the value of business done by the Co-operative Societies registered under the Act of 1922; but the latter figures are unfortunately not yet available.

It can be said that co-operation among farmers has not yet approached a stage enabling their agencies to control or regulate the local market to any considerable extent. In the case of maize, for example, the societies handled only 1,321,427 bags in the season 1921-22 out of a total production of 13,800,000. A bag weighs 200 lbs.

In considering these facts it should be recognised that the country has a large aboriginal population engaged in the production of crops, among whom co-operative methods of marketing are at present impossible.

That the co-operative movement is making rapid strides is undoubted. It is a healthy fact that it is not related to any particular political party or interest. It is generally recognised that the future of the country demands an efficient agricultural development and that co-operation for marketing purposes is the solution of many of the troubles faced by farmers to-day. The acute financial stringency in the districts has naturally reacted on the towns, and marketing methods have received much attention. Articles preaching co-operation for farmers are of almost daily occurrence in the leading newspapers of the country. Generally speaking, the various agricultural Unions and similar organizations are exercising their influence in the same direction. The attitude of the public is highly sympathetic, and while no direct State grants are made to any co-operative organizations, objection had not been raised to the credit facilities afforded by the Land and Agricultural Bank. The Bank charges a fair interest and has shown handsome profits from year to year.

Many difficulties have been experienced in extending the movement in South Africa, not the least of which has been the natural independence and individualism of a people living for the most part at great distances from each other and accustomed by circumstances to depend on themselves in their dealings with the world. A proper realization of that community of interests, which is the basis of co-operation, has undoubtedly been lacking. Land and labour have been cheap, and the competition of other countries was not severely felt in the past. A large proportion of farmers, too, work inherited farms and have been content with a return which is in no sense adequate to the capital involved. Others, depending

on an annual crop, have not thought it possible to pay their way with the advances offered by co-operative societies, and are forced annually to realize their produce as soon as it is ready, in order to meet the season's debts.

These facts have had their bearing on the position. More important still in their effect on the development of the movement was the lack in the Cape and Natal Provinces prior to 1922 of any suitable co-operative legislation, and the fact that in the Transvaal and Orange Free State the existing legislation was not applicable to companies with limited liability nor were they entitled to obtain assistance from the Land Bank. The position has been altered, but the difficulty limited liability associations experience in providing the Bank with adequate security, is still a very real handicap. The security demanded is generally a cession of the unpaid share capital, a mortgage of the company's fixed property and, where the amount of the loan necessitates it, an additional guarantee from the members in the form of a contingent liability on their shares. The Bank's view is that co-operators should subscribe their own capital and should borrow only for such a period as will enable them to pay up that capital out of the proceeds of the sale of their produce. It consequently does not grant loans against the security of produce held by the companies. But the capital required for payment of advances by a company selling produce in a seasonal pool is often more than the members can subscribe. In these circumstances there is some prospect of the Land Bank's attitude being altered in the near future.

In extending the knowledge of co-operative principles among the farming community the Government Agricultural Colleges are doing good work. Regular lectures on the subject are given. It is realised that a fuller development of co-operation must stimulate farming, since successful marketing is of nearly as much practical importance to producers as the achievements of agricultural science. The existing co-operative organizations benefit the whole farming community; by their system of advances they tend to prevent gluts in the market and to make a price. Better grading, better prices, and consequent better farming are direct results of the operations of a successful society.

The reaction of co-operative business upon farming methods has been well exemplified in the tobacco growing areas of the Magaliesberg in the Transvaal. Some 15 years ago, when the growers of Transvaal tobacco had the utmost difficulty in selling their produce, an unlimited liability society was formed with a membership of 277. As result of the greatly increased prices obtained the membership is to-day 3,546 and the society has accumulated a reserve fund of £42,866. By its distribution of good seed and insistence on careful grading it has done much to better the quality of tobacco produced and to deal with the problem of over-production. It has, in fact, put new life into the industry of the district.

The history of agricultural co-operation in South Africa emphasizes in the clearest possible way the paramount importance of good business management. The failures of earlier years were very frequently due to the employment of unsuitable secretary-managers, whose influence with their farmer-directors proved fatal. The qualifications required from a

successful Manager are by no means light, and it is to be recorded that the salaries paid were often inadequate. Living expenses on farms being low, Boards of Directors have not always realized that a first-class Manager requires a first-class salary. There are, too, no central facilities for training staff, though the offices of other societies and of central bodies are a useful recruiting ground for more responsible positions in other associations. The frequent inspections conducted by officials from the Registrar's staff have brought about a uniform system of accounting at the majority of the societies, while by means of occasional conferences of Secretaries, the submission of periodic returns to the Registrar, and a strict annual audit by a public accountant who in terms of the Co-operative Law must certify to specified details, much has been done to secure a strict adherence to business principles.

With proper control and a careful use of the spirit of co-operation pervading the country, a great development of the movement among agriculturists in South Africa is confidently anticipated.

## *India*

Full information regarding the progress of the co-operative movement in India is published in annual statements by the Commercial Intelligence Department. The following facts and tables are from the last statement available, which was published in Calcutta in 1923 and covers the official year 1921-1922. The figures are taken from the advance tabular statements forwarded by the Registrars of Co-operative Societies for that year and relate to societies of a co-operative nature in all the British provinces except the North-West Frontier Province and Baluchistan, where the movement has as yet made little progress. Figures for the Indian States of Mysore, Baroda, Hyderabad, and Bhopal have been included.

The official records show that there were 149 co-operative societies of all kinds in India in 1907. In 1914 there were 15,673 societies, and at the end of the war period, 26,465. In the following four years the number of societies has nearly doubled, being, at the time the Report was issued, 52,182, of which 47,879 are in British India and 4,303 in the Indian States. Of this total, 46,788 are agricultural societies, including Cattle Insurance Societies; 3,674 are non-agricultural; 1,240 are supervising and guaranteeing unions, including re-insurance societies, and 480 are central societies, including Provincial and Central Banks and Banking Unions. This gives a proportion of almost exactly one society per five thousand inhabitants. The average membership per society is about 38.

An analysis of the functions of the societies is given in the tables, from which it will be seen that a very large majority of them are credit societies. Of the agricultural societies all except 1,165 come under this classification; co-operative production is represented by 302 societies, the remainder being organised for purchase and sale and other forms of co-operation. Among the 3,674 non-agricultural societies, 402 are classified under production and sale, and 788 under purchase and sale.

Membership of the primary societies is reported as 1,516,454 in agricultural societies, and 450,676 in non-agricultural societies, a total of nearly two million members. Membership of Banking and Guaranteeing Unions is not included in these figures, as it is assumed that individual members of these have already figured once as members of an agricultural or non-agricultural primary society. A table of membership by Provinces shows considerable variation in the number of members compared with population. In Hyderabad it is slightly under three members per thousand inhabitants, while in Madras it is 10·8 per thousand, in Bombay 16·6, in Ajmer-Merwara 28·6, and in Coorg 36·8.

The total working capital of the movement is Rs.31.12 lakhs—about £22,043,333 at the present rate of exchange—of which Rs.17.87 lakhs constitutes the working capital of the societies. Capital is increasing faster than membership, being now nearly Rs.158 per member, and something over Rs.5,964 per society. The profits resulting from the operations of these societies in 1921-1922 were Rs.44,69,339 (agricultural), and Rs.16,71,591 (non-agricultural). The working capital of the Provincial and Central Banks is stated to be Rs.9,86,60,460. The profit for the year was Rs.22,77,928. The number of banks increased from 449 to 480 during the year. The operations of 444 Cattle Insurance societies during 1921-1922 show a risk insured of Rs.2,10,602 on 4,519 animals, of which 513 were lost.

In the tables which follow will be found further information regarding the number of societies and members, and working capital of societies, and details of the operations of the Provincial and Central Banks of the agricultural and non-agricultural societies, unions, cattle insurance societies, and central re-insurance societies, during the year 1921-1922.



## NUMBER OF SOCIETIES, BY PROVINCES (1921-22)

Province.	Population in millions.	Central (including Provincial and Central Banks and Banking Unions).	Supervising and Guar- anteeing Unions (including Re-insur- ance Societies).	Agricultural (including Cattle Insurance Societies).	Non- Agi- cultural.	Total number of Societies.	Number of Socie- ties per 100,000 inhabitants.
1	2	3	4	5	6	7	8
Madras .. .. .	42.3	33	200	6,289	856	7,387	17.5
Bombay .. .. .	19.3	19	69	2,762	561	3,411	17.7
Bengal .. .. .	46.7	74	6	6,148	453	6,678	14.3
Bihar and Orissa .. .. .	34.0	46	93	3,861	261	4,261	12.5
United Provinces .. .. .	45.4	71	9	4,858	199	5,137	11.3
Punjab .. .. .	20.7	110	1	8,798	401	9,310	45.0
Burma .. .. .	11.7	13	533	4,534	199	5,279	45.1
Central Provinces and Berar ..	13.9	35	309	4,528	95	4,967	35.7
Assam .. .. .	7.8	18	1	555	57	631	8.3
Coorg .. .. .	0.2	1	—	142	11	154	77.0
Ajmer-Merwara .. .. .	0.5	7	2	460	43	512	102.4
Hyderabad Administered Area	0.1	—	—	—	8	8	8.0
Delhi .. .. .	0.5	1	—	100	42	143	28.6
Total (British India) .. ..	242.9	428	1,232	43,033	3,186	47,679	19.7
Mysore .. .. .	6.0	16	—	1,233	270	1,519	25.3
Baroda .. .. .	2.1	5	—	489	45	539	25.7
Hyderabad .. .. .	12.5	13	—	1,278	173	1,464	11.7
Bhopal .. .. .	0.7	18	0	755	—	761	111.6
Total (Indian States) .. ..	21.3	52	8	3,755	488	4,303	20.2
GRAND TOTAL .. ..	264.2	480	1,240	46,788	3,674	52,162	19.8

## NUMBER OF MEMBERS, BY PROVINCES (1921-22)

Province.	Population in millions.	Central (including Provincial and Central Banks and Banking Unions).	Supervising and Guar- anteeing Unions (including Re-insur- ance Societies).	Agricultural (including Cattle Insurance Societies).	Non- Agri- cultural.	Total number of Members of primary Societies	Number of Mem- bers of pri- mary Societies per 1,000 inhabitants.
1	2	3	4	5	6	7	8
Madras .. .. .	42.3	8,965	5,494	333,342	124,762	458,104	10.8
Bombay .. .. .	19.3	7,592	445	208,460	112,154	320,614	16.6
Bengal .. .. .	46.7	10,441	200	180,781	68,720	249,501	5.3
Bihar and Orissa .. .. .	34.0	8,126	4,310	112,421	16,994	128,415	3.8
United Provinces .. .. .	45.4	10,054	104	116,868	11,268	128,136	2.8
Punjab .. .. .	20.7	10,454	13	241,240	17,594	258,834	12.5
Burma .. .. .	11.7	5,354	4,688	107,667	26,122	133,789	11.4
Central Provinces and Berar .. .. .	13.0	83,716	6,019	78,985	6,289	80,274	6.8
Assam .. .. .	7.6	1,831	10	24,579	7,369	31,948	4.2
Coorg .. .. .	0.2	64	—	6,208	1,162	7,370	36.0
Ajmer-Merwara .. .. .	0.5	1,517	135	10,192	4,088	14,280	28.0
Hyderabad Administered Area .. .. .	0.1	—	—	—	268	268	2.7
Delhi .. .. .	0.5	150	—	1,628	934	2,562	5.1
Total (British India) .. .. .	242.9	148,070	21,369	1,417,371	396,724	1,814,095	7.5
Mysore .. .. .	0.0	2,383	—	51,377	43,152	94,529	15.8
Baroda .. .. .	2.1	722	—	13,326	3,443	17,269	8.2
Hyderabad .. .. .	12.5	2,385	—	28,742	7,357	36,099	2.9
Bhopal .. .. .	0.7	1,468	184	12,298	—	12,298	17.6
Total (Indian States) .. .. .	21.3	6,968	185	106,243	53,952	160,195	7.5
GRAND TOTAL .. .. .	264.2	154,078	21,554	1,523,614	450,676	1,974,290	7.5

## WORKING CAPITAL, BY PROVINCES (1921-22)

Province	Population in millions.	Share Capital paid up.	LOANS AND DEPOSITS HELD AT THE END OF THE YEAR FROM					Reserve and other Funds.	Total.	Number of annas per head of popu- lation.
			Members	Societies.	Provincial or Central Banks.	Govern- ment.	Non- Members and other sources.			
1	2	3	4	5	6	7	8	9	10	11
		R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)	As.
Madras ..	42.3	79.86	28.72	20.84	2,71.39	94	1,77.42	21.94	6,01.11	23
Bombay ..	19.3	59.10	1,04.05	40.92	86.24	12.09	1,11.30	21.60	4,35.36	36
Bengal ..	46.7	47.82	32.18	3.25	1,28.83	32	1,25.33	31.45	3,68.66	13
Bihar and Orissa..	34.0	14.27	4.85	3.43	69.17	21	61.00	12.71	1,62.27	6
United Provinces..	45.4	31.64	4.42	137	44.13	1	42.73	10.98	1,44.28	6
Punjab ..	20.7	69.37	19.26	21.01	1,44.41	3.46	1,08.76	61.50	4,30.77	33
Burma ..	11.7	66.79	9.33	14.08	1,06.82	18.03	1,16.17	35.19	3,64.41	59
Central Provinces and Berar ..	13.9	27.01	2.53	13.79	1,47.14	6.09	98.18	21.41	3,16.15	36
Assam ..	7.6	2.91	2.82	1.11	3.66	28	6.78	2.84	20.40	4
Coorg ..	0.2	1.20	22	7	0	1	36	74	2.69	22
Ajmer-Merwara ..	0.5	7.39	26	11	14.94	10	17.02	3.33	43.15	138
Hyderabad Admin- istered Area ..	0.1	22	32	9	—	—	—	1	64	16
Delhi ..	0.5	23	1	—	1.59	—	3.26	1	5.10	16
Total (British India)	242.9	4,07.61	2,08.97	1,20.07	10,17.91	39.54	8,63.31	2,35.71	28,98.32	19
Mysore ..	6.0	34.46	9.66	2.17	10.48	5	16.65	8.50	61.97	22
Baroda ..	2.1	1.99	4.07	57	7.63	2.24	8.12	3.05	27.67	21
Hyderabad ..	12.5	18.96	2.04	73	32.81	10.63	19.59	5.57	90.33	12
Bhopal ..	0.7	47	—	22	5.41	—	7.27	68	13.95	32
Total (Indian States)	21.3	55.88	15.77	3.69	56.33	12.92	51.63	17.70	2,13.92	16
GRAND TOTAL	264.2	4,63.69	2,24.74	1,23.76	10,74.24	52.46	9,19.94	2,53.41	31,12.24	19

## OPERATIONS OF PROVINCIAL AND CENTRAL BANKS (1921-22).

Province.	Number of Banks.	NUMBER OF MEMBERS		NUMBER OF AFFILIATED SOCIETIES HOLDING SHARES IN CENTRAL BANKS				LOANS MADE DURING THE YEAR TO	
		Individuals.	Societies.	Central Credit.	Agr - cultural Credit.	Non-Agr - cultural Credit.	Others.	Individuals.	Banks and Societies.
1	2	3	4	5	6	7	8	9	10
<b>(a) PROVINCIAL BANKS.</b>									
	No.	No.	No.	No.	No.	No.	No.	Rs.	Rs.
Madras .. .. .	1	392	90	31	20	21	18	3,97,965	39,27,482
Bombay .. .. .	1	774	176	—	—	—	—	11,47,290	60,15,707
Bengal .. .. .	1	—	77	60	2	9	6	—	19,94,921
Bihar and Orissa ..	1	24	29	22	7	—	—	—	8,34,374
Burma .. .. .	1	307	2,305	8	2,252	36	9	—	57,59,143
Central Provinces and Berar .. .. .	1	—	2,393	34	2,357	2	—	1,028	7,75,622
<b>Total (British India)</b>	<b>6</b>	<b>1,497</b>	<b>5,070</b>	<b>155</b>	<b>4,636</b>	<b>68</b>	<b>33</b>	<b>15,46,283</b>	<b>1,93,67,249</b>
<i>Total previous year</i>	<i>6</i>	<i>1,497</i>	<i>4,836</i>	<i>151</i>	<i>4,412</i>	<i>68</i>	<i>34</i>	<i>2,01,321</i>	<i>2,12,01,839</i>
Mysore .. .. .	1	521	495	13	393	82	7	—	73,440
<i>Total previous year</i>	<i>1</i>	<i>550</i>	<i>484</i>	<i>13</i>	<i>383</i>	<i>81</i>	<i>7</i>	<i>—</i>	<i>1,21,384</i>
<b>Grand Total</b>	<b>7</b>	<b>2,018</b>	<b>5,565</b>	<b>168</b>	<b>5,031</b>	<b>150</b>	<b>40</b>	<b>15,46,283</b>	<b>1,93,80,689</b>
<i>Grand total previous year</i>	<i>7</i>	<i>2,057</i>	<i>5,320</i>	<i>164</i>	<i>4,795</i>	<i>149</i>	<i>41</i>	<i>2,01,321</i>	<i>2,13,23,223</i>
<b>(b) CENTRAL BANKS</b>									
Madras .. .. .	32	2,506	5,977	35	5,293	457	192	4,19,280	1,05,69,246
Bombay .. .. .	18	4,825	2,017	1	1,302	113	11	1,08,940	60,45,108
Bengal .. .. .	73	4,335	6,020	2	5,790	194	43	—	38,62,046
Bihar and Orissa ..	4	4,071	4,002	—	3,766	132	104	—	37,86,813
United Provinces ..	73*	5,337	4,817	11	4,644	152	10	2,600	42,79,673
Punjab .. .. .	110	2,211	8,231	20	7,020	253	40	2,77,689	65,78,312
Burma .. .. .	12	1,331	1,411	—	1,360	50	1	—	44,22,840
Central Provinces and Berar .. .. .	34	76,544	4,779	—	4,391	56	295	11,60,059	61,34,478
Assam .. .. .	18	1,245	376	13	311	17	5	1,26,094	1,50,563
Ajmer-Merwara .. ..	7†	878	639	—	549	—	—	1,46,163	5,88,515
Delhi .. .. .	1	18	138	—	100	38	—	—	3,17,708
Coorg .. .. .	1	16	48	—	44	4	—	—	10,800
<b>Total (British India)</b>	<b>432</b>	<b>103,067</b>	<b>38,436</b>	<b>82</b>	<b>36,063</b>	<b>1,466</b>	<b>701</b>	<b>22,40,821</b>	<b>4,67,46,161</b>
<i>Total previous year</i>	<i>394</i>	<i>97,727</i>	<i>33,204</i>	<i>63</i>	<i>31,165</i>	<i>1,240</i>	<i>604</i>	<i>12,21,495</i>	<i>4,23,13,568</i>
Mysore .. .. .	15	1,036	331	6	279	37	9	2,90,058	62,911
Baroda .. .. .	5	297	425	—	372	53	—	—	3,33,408
Hyderabad .. .. .	13‡	807	1,528	—	1,483	27	38	—	4,94,556
Bhopal .. .. .	18	909	559	—	550	5	2	60	5,35,800
<b>Total (Indian States)</b>	<b>51</b>	<b>3,049</b>	<b>2,843</b>	<b>6</b>	<b>2,684</b>	<b>122</b>	<b>49</b>	<b>2,90,118</b>	<b>14,38,675</b>
<i>Total previous year</i>	<i>43</i>	<i>2,738</i>	<i>2,392</i>	<i>7</i>	<i>2,257</i>	<i>141</i>	<i>11</i>	<i>2,57,338</i>	<i>16,29,832</i>
<b>Grand Total</b>	<b>473</b>	<b>106,116</b>	<b>41,279</b>	<b>88</b>	<b>38,727</b>	<b>1,588</b>	<b>750</b>	<b>25,30,939</b>	<b>4,81,72,776</b>
<i>Grand total previous year</i>	<i>442</i>	<i>100,465</i>	<i>35,596</i>	<i>75</i>	<i>33,422</i>	<i>1,381</i>	<i>615</i>	<i>14,78,833</i>	<i>4,39,45,450</i>

\* Includes 3 non-credit Central Societies.

† Including the Beawar Union Bank, Ajmer Union Bank and Co-operative Stores, Pilsaganj.

‡ Two banks had no transactions.

RECEIPTS FROM LOANS AND DEPOSITS REPAID DURING THE YEAR BY		LOANS DUE BY		LOANS AND DEPOSITS RECEIVED DURING THE YEAR FROM			Sales of goods to members	PROVINCE.
Indivi- duals.	Banks and Societies.	Indivi- duals.	Banks and Societies.	Central Banks.	Primary Societies.	Individuals and other sources.		
11	12	13	14	15	16	17	18	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	(a) PROVINCIAL BANKS.
3,46,102	33,18,020	3,15,832	69,52,255	82,208	—	2,29,46,866	—	Madras.
—	58,38,333	—	51,17,861	—	1,83,42,806	39,76,978	894	Bombay.
—	21,51,035	—	17,23,024	15,73,185	4,94,969	88,30,130	—	Bengal.
—	3,97,906	—	11,22,874	22,35,922	1,11,458	30,95,804	—	Bihar and Orissa.
—	44,02,499	—	81,68,059	8,69,264	9,37,046	29,68,850	—	Burma.
949	17,73,412	691	19,50,098	31,61,561	20,194	16,77,066	—	Central Provinces and Berar.
3,49,051	1,73,81,205	3,16,523	2,50,34,171	79,22,140	1,99,06,473	3,84,95,694	894	Total (British India).
4,87,370	1,54,92,078	1,60,646	2,29,93,116	49,74,161	93,45,082	2,74,32,407	29,864	Total previous year.
—	54,383	—	5,27,140	—	58,433	3,18,549	—	Mysore.
—	49,339	—	5,08,081	2,096	59,440	1,41,660	—	Total previous year.
3,49,051	1,74,35,558	3,16,523	2,55,61,311	79,22,140	1,99,64,906	3,88,14,243	894	(GRAND TOTAL.
4,87,370	1,55,41,417	1,60,646	2,35,01,197	49,04,522	94,04,522	2,75,74,267	29,864	Grand Total previous year.
3,01,946	66,44,104	2,24,551	1,88,34,096	53,60,601	21,07,703	1,60,22,532	—	(b) CENTRAL BANKS.
97,478	43,35,573	4,25,641	43,90,429	16,05,859	9,54,283	51,33,032	111	Madras.
209	34,71,010	2,468	1,11,93,863	7,38,691	1,38,077	36,59,757	1,74,391	Bombay.
24	20,52,172	127	56,58,078	26,31,199	2,21,915	25,33,029	4,817	Bengal.
13,398	38,71,075	31,778	54,09,927	3,33,258	1,04,711	23,14,977	1,09,686	Bihar and Orissa.
2,28,248	37,70,851	1,04,692	1,45,90,784	15,58,743	12,80,935	1,09,84,786	2,57,071	United Provinces.
—	35,23,064	—	43,00,583	14,63,909	7,09,864	24,26,305	—	Burma.
11,05,036	62,71,988	1,40,015	1,16,47,741	3,31,676	4,61,995	68,04,355	—	Central Provinces and Berar.
94,141	56,705	1,63,794	4,16,103	31,171	25,744	1,53,024	34	Assam.
1,35,500	5,21,041	1,22,769	17,10,080	25,038	20,455	15,21,040	90,540	Ajmer-Merwara.
—	55,928	—	2,84,617	—	—	4,12,645	—	Delhi.
—	300	—	10,500	—	—	9,600	4	Coorg.
19,70,975	3,45,74,414	12,78,835	7,85,02,761	1,40,80,145	61,15,672	5,19,77,982	6,36,854	Total (British India).
10,97,971	2,76,00,361	9,99,592	6,67,73,494	1,43,38,602	37,56,435	3,82,01,533	7,42,525	Total previous year.
2,55,514	1,11,069	6,36,229	6,71,186	—	90,237	7,05,982	—	Mysore.
—	2,78,790	—	6,70,877	—	55,403	6,03,405	4,536	Baroda.
1,500	5,26,528	—	34,19,399	42,086	20,821	8,76,019	—	Hyderabad.
2,458	3,45,199	6,775	5,39,870	—	20,047	5,22,363	—	Bhopal.
2,58,472	12,61,586	6,42,004	53,01,132	43,086	1,86,508	27,07,769	4,536	Total (Indian States).
2,92,276	7,74,394	6,09,026	51,38,186	38,717	1,50,330	27,38,386	1,242	Total previous year.
22,30,447	3,58,36,000	16,21,539	8,36,63,923	1,41,22,231	63,02,180	5,46,85,751	6,41,190	GRAND TOTAL.
13,90,247	2,63,74,755	16,08,618	7,19,01,680	1,43,77,319	39,06,765	4,69,39,919	7,43,767	Grand Total previous year.

OPERATIONS OF PROVINCIAL AND CENTRAL BANKS (1921-22)—*contd.*

Province.	Purchase of members' products.	Cost of management.	Share capital paid up.	LOANS AND DEPOSITS HELD AT THE END OF THE YEAR FROM				Reserve and other funds.
				Societies.	Provincial or Central Banks.	Government.	Individuals and other sources.	
	19	20	21	22	23	24	25	26
<b>(a) PROVINCIAL BANKS.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Madras .. .. .	—	46,274	5,22,950	—	13,04,870	—	54,20,635	2,53,181
Bombay .. .. .	—	50,701	7,00,000	33,28,996	—	—	22,21,351	2,23,651
Bengal .. .. .	—	3,955	3,14,925	25,646	7,18,899	—	14,44,814	37,167
Bihar and Orissa .. .. .	—	5,767	1,17,000	—	5,46,123	—	9,64,230	76,065
Burma .. .. .	—	75,167	6,50,600	7,93,812	—	—	80,84,461	4,30,859
Central Provinces and Berar .. .. .	—	12,768	6,01,250	15,223	26,48,049	—	17,14,054	99,406
<b>Total (British India) ..</b>	<b>—</b>	<b>1,94,632</b>	<b>29,06,725</b>	<b>41,63,677</b>	<b>52,17,881</b>	<b>—</b>	<b>1,98,46,545</b>	<b>11,20,329</b>
<i>Total previous year ..</i>	<i>—</i>	<i>1,55,370</i>	<i>27,68,600</i>	<i>29,10,808</i>	<i>23,25,211</i>	<i>—</i>	<i>1,89,02,725</i>	<i>9,33,740</i>
Mysore .. .. .	—	5,248	1,42,364	74,781	897	—	3,20,636	23,250
<i>Total previous year ..</i>	<i>—</i>	<i>5,561</i>	<i>1,43,946</i>	<i>76,318</i>	<i>8,894</i>	<i>—</i>	<i>2,96,290</i>	<i>17,462</i>
<b>GRAND TOTAL ..</b>	<b>—</b>	<b>1,99,880</b>	<b>30,49,089</b>	<b>42,38,458</b>	<b>52,18,778</b>	<b>—</b>	<b>2,01,70,181</b>	<b>11,43,588</b>
<i>Grand Total previous year ..</i>	<i>—</i>	<i>1,60,931</i>	<i>29,12,546</i>	<i>29,87,126</i>	<i>23,34,105</i>	<i>—</i>	<i>1,91,99,015</i>	<i>9,51,190</i>
<b>(b) CENTRAL BANKS</b>								
Madras .. .. .	—	71,142	24,11,199	19,60,334	71,80,010	—	92,23,142	3,37,622
Bombay .. .. .	—	40,729	10,76,480	3,04,505	8,54,702	—	38,14,264	1,01,372
Bengal .. .. .	1,30,393	2,03,331	16,52,237	1,46,231	20,46,963	4,700	84,87,916	7,17,328
Bihar and Orissa .. .. .	—	1,56,305	16,75,836	1,13,554	10,53,236	—	47,94,938	2,17,277
United Provinces .. .. .	1,130	1,84,260	15,40,953	1,30,311	4,58,535	638	41,14,166	8,20,187
Punjab .. .. .	1,28,882	63,758	14,36,880	18,95,067	33,30,265	1,74,550	91,76,313	6,01,469
Burma .. .. .	—	42,703	6,90,635	2,99,650	12,61,123	—	20,63,191	1,13,554
Central Provinces and Berar .. .. .	—	1,22,355	18,72,564	13,55,028	18,57,502	15,290	79,97,570	7,19,908
Assam .. .. .	—	7,832	1,06,648	35,452	33,565	25,000	4,26,082	44,100
Ajmer-Merwara .. .. .	77,559	10,233	2,42,780	7,281	14,917	—	16,26,894	1,31,733
Delhi .. .. .	—	1,012	14,750	—	—	—	3,20,653	—
Coorg .. .. .	—	65	4,440	—	—	—	9,500	—
<b>Total (British India) ..</b>	<b>3,37,964</b>	<b>9,93,725</b>	<b>1,17,24,412</b>	<b>62,47,403</b>	<b>1,80,90,818</b>	<b>2,29,178</b>	<b>5,20,54,529</b>	<b>38,58,860</b>
<i>Total previous year ..</i>	<i>4,40,447</i>	<i>7,36,619</i>	<i>1,02,36,622</i>	<i>50,84,265</i>	<i>1,67,95,355</i>	<i>2,78,106</i>	<i>4,07,22,960</i>	<i>31,39,074</i>
Mysore .. .. .	—	6,946	3,41,493	95,660	64,366	—	7,98,801	1,11,689
Baroda .. .. .	—	9,531	1,06,939	57,291	—	1,44,079	5,46,167	24,063
Hyderabad .. .. .	—	15,477	7,00,124	45,621	—	10,30,794	17,50,514	92,190
Bhopal .. .. .	—	3,448	30,989	22,367	3,363	—	4,83,601	10,549
<b>Total (Indian States) ..</b>	<b>—</b>	<b>35,402</b>	<b>11,88,545</b>	<b>2,20,929</b>	<b>67,729</b>	<b>11,74,873</b>	<b>35,73,073</b>	<b>2,36,181</b>
<i>Total previous year ..</i>	<i>—</i>	<i>24,698</i>	<i>10,69,746</i>	<i>1,88,531</i>	<i>78,751</i>	<i>13,86,299</i>	<i>31,46,774</i>	<i>1,53,756</i>
<b>GRAND TOTAL ..</b>	<b>3,37,964</b>	<b>9,99,127</b>	<b>1,29,12,957</b>	<b>64,68,332</b>	<b>1,81,58,547</b>	<b>13,95,051</b>	<b>5,56,27,602</b>	<b>40,87,971</b>
<i>Grand total previous year ..</i>	<i>4,40,447</i>	<i>7,64,317</i>	<i>1,13,36,404</i>	<i>52,72,846</i>	<i>1,68,74,106</i>	<i>16,64,405</i>	<i>4,38,69,724</i>	<i>33,22,830</i>

*Working Capital.	Profit ( + ) and loss ( — ) for the year.	Usual dividend paid on share.	MOST USUAL RATE OF INTEREST.		Uncalled and subscribed share capital.	PROVINCE.
			On borrowings.	On lendings.		
27	28	29	30	31	32	
<b>Rs.</b>	<b>Rs.</b>	<b>Per cent.</b>	<b>Per cent.</b>	<b>Per cent.</b>	<b>Rs.</b>	<b>(a) PROVINCIAL BANKS.</b>
75,01,886	+1,38,121	9	—	7 to 7½	77,050	Madras.
64,73,998	+95,037	7½	5½ to 6½	7½ to 8	—	Bombay.
25,41,391	+44,460	7½	4½ to 7	7½	3,14,925	Bengal.
17,08,418	+27,195	6	4 to 7	8 to 12½	5,25,500	Bihar and Orissa.
99,59,732	+1,52,782	5	—	8	—	Burma.
50,77,982	+65,357	6	5 to 8	8 to 10	—	Central Provinces and Berar.
<b>3,32,58,157</b>	<b>+5,01,752</b>	—	—	—	<b>9,17,475</b>	Total (British India).
<b>2,78,41,084</b>	<b>+2,95,631</b>	—	—	—	<b>9,48,450</b>	Total previous year.
5,61,937	+13,249	7	5 to 7	8½	—	Mysore.
5,42,900	+12,657	6	6½	7½	3,43,800	Total previous year.
<b>3,38,20,094</b>	<b>+5,15,001</b>	—	—	—	<b>9,17,475</b>	GRAND TOTAL.
<b>2,83,81,984</b>	<b>+1,08,288</b>	—	—	—	<b>10,02,250</b>	Grand Total previous year.
<b>2,11,12,307</b>	<b>+3,89,017</b>	9	3 to 7½	7½ to 8½	31,58,804	<b>(b) CENTRAL BANKS.</b>
61,51,332	+91,700	7½	5 to 7½	8	2,14,602	Madras.
1,30,55,375	+2,86,580	6½	4½ to 7½	10½	14,84,066	Bombay.
69,08,411	+1,61,935	6½ and 10½	8	12½	7,65,288	Bengal.
70,64,790	+3,00,658	6	7 and 7½	12	16,83,748	Bihar and Orissa.
1,66,13,534	+2,80,404	8 and 9	6 to 7½	9	6,37,025	United Provinces.
44,28,453	+72,588	7	6½	10	—	Punjab.
1,38,17,862	+4,22,923	6 to 7	6 to 10	10 to 12	—	Burma.
6,70,448	+15,347	12	6½	10½	82,773	Central Provinces and Berar.
20,25,605	+48,005	4½ to 12	6 to 7	9	—	Assam.
3,35,303	+3,988	—	6 and 7	9	—	Ajmer-Merwara.
13,940	+39	—	6½	8½	—	Delhi
					—	Coorg.
<b>9,21,96,190</b>	<b>+20,73,184</b>	—	—	—	<b>80,26,398</b>	Total (British India).
<b>7,62,56,372</b>	<b>+15,85,425</b>	—	—	—	<b>74,84,967</b>	Total previous year.
14,07,009	+66,054	6½	7½	8	—	Mysore.
8,78,159	+14,016	7	6	7 to 9	90,26.	Baroda.
86,19,243	+1,14,271	10	7	9	4,61,050	Hyderabad.
5,50,859	+10,403	10	6	6 and 9	76,611	Bhopal.
<b>64,64,270</b>	<b>+2,04,744</b>	—	—	—	<b>6,27,922</b>	Total (Indian States).
<b>60,73,943</b>	<b>+1,78,898½</b>	—	—	—	<b>9,36,010</b>	Total previous year.
<b>9,88,60,460</b>	<b>+22,77,928</b>	—	—	—	<b>88,54,228</b>	GRAND TOTAL.
<b>8,23,30,316</b>	<b>+17,65,323½</b>	—	—	—	<b>84,20,977</b>	Grand Total previous year.

\*For the purposes of this statement the working capital is taken to be the total of columns 21 to 26.  
 †Revised figure.

## OPERATIONS OF AGRICULTURAL SOCIETIES (1921-22).

Provinces.	Class of Societies. (a)=Limited. (b)=Unlimited.					Total number of societies.	Number of members.	LOANS MADE DURING THE YEAR TO	
	Credit.	Purchase and purchase and sale.	Produce- tion.	Produce- tion and sale.	Other forms of co-opera- tion.			Individuals.	Banks and societies.
1	2	3	4	5	6	7	8	9	10
	No.	No.	No.	No.	No.	No.	No.	Rs.	Rs.
Madras .. ..	{ (a) 16 (b) 6,190 }	{ (a) 75 (b) 4 }	—	{ (a) 3 (b) 1 }	{ (a) 3 (b) 1 }	6,289	833,342	1,17,99,763	77,770
Bombay .. ..	{ (a) 4 (b) 2,595 }	{ (a) 62 (b) 28 }	(a) 10 (b) 14	{ (a) 32 (b) 7 }	{ (a) 1 (b) 1 }	2,753	208,085	1,08,32,916	2,18,032
Bengal .. ..	{ (a) 25 (b) 6,047 }	{ (a) 15 (b) 29 }	(a) 29	{ (a) 48 (b) 2 }	{ (a) 4 (b) 1 }	6,146	180,781	39,32,262	4,67,636
Bihar and Orissa ..	{ (a) 59 (b) 3,769 }	{ (a) 7 (b) 1 }	—	{ (a) 25 (b) 1 }	—	3,861	112,421	35,17,575	500
United Provinces ..	{ (a) 1 (b) 4,648 }	{ (a) 1 (b) 1 }	(a) 1	{ (a) 6 (b) 1 }	—	4,857	116,845	42,75,202	1,36,468
Punjab .. ..	{ (a) 8,232 (b) 4,025 }	{ (a) 160 (b) 17 }	—	{ (a) 11 (b) 1 }	(a) 354	8,757	240,711	81,02,197	8,49,918
Burma .. ..	{ (a) 1 (b) 4,496 }	{ (a) 6 (b) 25 }	(a) 25	{ (a) 1 (b) 1 }	—	4,523	72,985	43,26,973	3,87,650
Central Provinces and Berar .. ..	{ (a) 55 (b) 46 }	{ (a) 8 (b) 86 }	—	{ (a) 1 (b) 1 }	—	555	24,679	2,33,562	6,074
Assam .. ..	{ (a) 46 (b) 86 }	{ (a) 8 (b) 450 }	—	{ (a) 9 (b) 1 }	—	132	5,968	91,240	—
Coorg .. ..	{ (a) 46 (b) 86 }	{ (a) 8 (b) 450 }	—	{ (a) 9 (b) 1 }	—	460	10,192	2,82,482	10,641
Ajmer-Merwara ..	{ (a) 100 (b) 37,587 }	{ (a) 20 (b) 13 }	(a) 13	{ (a) 8 (b) 3 }	{ (a) 229 (b) 39 }	38,530	1,264,411	5,32,37,423	24,38,655
Delhi .. ..	{ (a) 110 (b) 1,069 }	{ (a) 48 (b) 9 }	(a) 3	{ (a) 1 (b) 1 }	{ (a) 1 (b) 1 }	1,233	51,377	11,85,941	—
Total (British India)	{ (a) 125 (b) 41,391 }	{ (a) 343 (b) 28 }	(a) 78 (b) 14	{ (a) 104 (b) 12 }	{ (a) 44 (b) 1 }	42,589	1,410,211	5,56,15,362	29,16,773
Total previous year ..	{ (a) 86 (b) 37,587 }	{ (a) 328 (b) 20 }	(a) 54 (b) 13	{ (a) 175 (b) 8 }	{ (a) 229 (b) 39 }	38,530	1,264,411	5,32,37,423	24,38,655
Mysore .. ..	{ (a) 110 (b) 1,069 }	{ (a) 48 (b) 9 }	(a) 3	{ (a) 1 (b) 1 }	{ (a) 1 (b) 1 }	1,233	51,377	11,85,941	—
Baroda .. ..	{ (a) 46 (b) 86 }	{ (a) 8 (b) 450 }	—	{ (a) 9 (b) 1 }	{ (a) 1 (b) 1 }	489	13,826	7,24,048	6,454
Hyderabad .. ..	{ (a) 127 (b) 753 }	{ (a) 20 (b) 13 }	(a) 13	{ (a) 8 (b) 3 }	{ (a) 229 (b) 39 }	38,530	1,264,411	5,32,37,423	24,38,655
Bhopal .. ..	{ (a) 110 (b) 1,069 }	{ (a) 48 (b) 9 }	(a) 3	{ (a) 1 (b) 1 }	{ (a) 1 (b) 1 }	1,233	51,377	11,85,941	—
Total (Indian States)	{ (a) 110 (b) 3,543 }	{ (a) 48 (b) 9 }	(a) 4 (b) 9	{ (a) 2 (b) 1 }	{ (a) 1 (b) 28 }	3,755	106,243	30,25,067	11,504
Total previous year ..	{ (a) 106 (b) 3,413 }	{ (a) 40 (b) 6 }	(a) 4 (b) 7	{ (a) 3 (b) 2 }	{ (a) 3 (b) 25 }	3,619	101,023	36,62,090	2,875
GRAND TOTAL ..	{ (a) 235 (b) 44,933 }	{ (a) 391 (b) 37 }	(a) 80 (b) 23	{ (a) 196 (b) 3 }	{ (a) 362 (b) 72 (c) 1 }	46,344	1,516,454	5,88,40,429	29,22,367
Grand Total previous year .. ..	{ (a) 192 (b) 41,000 }	{ (a) 368 (b) 26 }	(a) 58 (b) 20	{ (a) 178 (b) 10 }	{ (a) 233 (b) 64 }	42,149	1,355,434	5,68,99,513	24,41,530

(c) Not stated whether limited or unlimited.

\* Including 2,043 societies.



RECEIPTS FROM LOANS AND DEPOSITS REPAYED DURING THE YEAR BY		LOANS DUE BY			LOANS AND DEPOSITS RECEIVED DURING THE YEAR FROM			Province.
Individuals.	Banks and Societies.	Individuals.	Of which overdue.	Banks and Societies.	Indivi- duals.	Central Banks.	Primary Societies.	
11	12	13	14	15	16	17	18	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
82,77,901	80,559	1,95,56,581	37,53,098	1,47,049	8,88,876	88,09,375	59,457	Madras.
85,75,651	2,21,357	1,46,42,295	19,70,382	1,19,583	21,63,313	61,85,819	97,210	Bombay.
31,09,382	4,50,107	1,06,80,974	40,04,955	1,22,235	5,51,028	33,34,996	27,623	Bengal.
20,28,895	5,673	53,47,695	14,54,745	34,333	2,38,636	30,97,653	2,309	Bihar and Orissa.
36,06,413	1,26,783	52,55,112	15,45,662	41,044	1,49,001	37,04,149	10,878	United Provinces.
48,22,860	9,06,142	2,08,27,380	8,93,345	17,05,257	20,13,850	43,82,493	1,12,751	Punjab.
58,79,781	5,70,450	1,47,78,450	—	12,99,824	10,13,367	52,69,791	1,65,400	Burma.
48,80,191	87,034	1,08,42,510	—	12,16,784	1,07,385	44,25,543	—	Central Provinces and Berar.
1,25,372	861	5,73,073	2,98,963	20,048	29,335	1,09,046	13,395	Assam.
34,588	1,417	1,75,974	—	6,618	3,750	8,950	984	Coorg.
2,10,707	5,469	19,28,550	67,690	5,694	39,246	2,58,252	11,822	Ajmer-Merwara.
22,037	—	1,37,713	—	—	1,517	1,15,365	—	Delhi.
<b>4,16,03,776</b>	<b>24,55,902</b>	<b>10,47,46,257</b>	<b>1,39,88,846</b>	<b>47,20,269</b>	<b>72,29,904</b>	<b>3,97,01,432</b>	<b>5,01,209</b>	Total (British India).
<i>3,59,87,629</i>	<i>18,95,557</i>	<i>9,18,76,745</i>	<i>1,12,14,440</i>	<i>43,91,299</i>	<i>70,82,854</i>	<i>3,72,91,857</i>	<i>8,34,449</i>	Total previous year.
10,78,427	—	25,06,215	9,09,839	—	2,80,900	1,02,860	16,165	Mysore.
6,92,691	22,526	13,72,714	4,34,220	7,198	1,90,223	4,40,953	—	Baroda.
4,14,220	1,432	41,02,109	26,365	9,335	52,511	4,37,756	2,411	Hyderabad.
5,98,583	—	7,99,355	1,35,867	—	98,903	5,35,800	—	Bhopal.
<b>27,83,921</b>	<b>23,958</b>	<b>87,60,393</b>	<b>15,06,291</b>	<b>16,533</b>	<b>6,22,537</b>	<b>15,17,369</b>	<b>18,576</b>	Total (Indian States)
<i>†20,36,963</i>	<i>15,987</i>	<i>84,92,507</i>	<i>†14,44,824</i>	<i>16,971</i>	<i>†7,76,302</i>	<i>†17,57,254</i>	<i>15,961</i>	Total previous year.
<b>4,43,87,699</b>	<b>24,79,760</b>	<b>11,35,28,950</b>	<b>1,54,95,137</b>	<b>47,38,802</b>	<b>78,52,441</b>	<b>4,12,18,801</b>	<b>5,20,385</b>	GRAND TOTAL.
<i>†3,80,24,592</i>	<i>19,11,544</i>	<i>10,03,69,252</i>	<i>†1,26,59,264</i>	<i>44,08,270</i>	<i>†78,59,656</i>	<i>†3,90,40,111</i>	<i>8,50,410</i>	Grand Total previous year.

† Revised figures.

OPERATIONS OF AGRICULTURAL SOCIETIES (1921-22)—*contd.*

Province.	Sales of goods to members.	Purchase of members' products.	Cost of management.	Share Capital paid up.	LOANS AND DEPOSITS HELD AT THE END OF THE YEAR FROM				
					Members.	Non-members.	Societies.	Provincial or Central Banks.	Government.
	19	20	21	22	23	24	25	26	27
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras .. ..	2,54,646	1,88,842	2,00,875	24,68,263	6,46,513	8,60,001	1,02,502	1,74,68,440	72,349
Bombay .. ..	2,40,537	4,31,109	2,07,841	4,45,077	36,65,302	23,80,982	1,83,381	74,33,762	1,69,999
Bengal .. ..	11,43,539	7,21,354	1,79,480	5,45,674	6,90,589	6,87,482	4,892	98,26,879	27,432
Bihar and Orissa	26,588	40,291	55,647	1,81,288	1,95,681	1,86,001	2,05,248	47,75,057	16,967
United Provinces	210	9,072	87,130	13,47,775	72,778	1,40,929	6,748	37,89,649	56
Punjab .. ..	6,33,423	4,44,351	1,95,540	51,69,629	16,08,093	16,34,224	1,61,687	1,07,71,090	1,70,525
Burma .. ..	4,96,274	4,99,340	6,92,005	29,28,774	3,10,198	8,02,526	2,23,106	91,67,094	15,41,325
Central Provinces and Bihar	11,179	1,738	10,266	15,276	1,71,909	45,151	3	1,01,43,794	5,93,345
Assam .. ..	—	—	8,588	10,597	82,861	40,841	67,983	3,10,276	2,515
Coorg .. ..	—	—	6,375	88,076	16,801	21,949	6,587	8,950	900
Ajmer-Merwara ..	1,826	1,573	21,008	4,14,191	1,931	66,051	2,591	13,34,171	9,506
Delhi .. ..	—	—	390	3,718	706	1,004	—	1,37,846	—
<b>Total (British India) ..</b>	<b>28,08,222</b>	<b>23,37,970</b>	<b>16,98,118</b>	<b>1,36,16,338</b>	<b>74,61,417</b>	<b>73,67,141</b>	<b>10,14,898</b>	<b>7,51,67,008</b>	<b>26,04,819</b>
<i>Total previous year</i>	<i>26,89,291</i>	<i>12,37,386</i>	<i>13,53,453</i>	<i>1,20,67,941</i>	<i>65,23,905</i>	<i>69,57,013</i>	<i>8,55,869</i>	<i>6,49,50,226</i>	<i>26,36,926</i>
Mysore .. ..	65,562	—	27,440	11,14,262	1,61,570	98,699	—	8,64,991	2,066
Baroda .. ..	13,986	10,655	14,588	46,046	1,97,706	2,30,026	106	7,38,246	77,355
Hyderabad .. ..	—	—	5,048	7,24,422	14,323	2,08,830	5,317	31,73,590	464
Rhopal .. ..	—	—	—	6,476	—	2,43,206	—	5,38,023	—
<b>Total (Indian States) ..</b>	<b>79,548</b>	<b>10,655</b>	<b>47,086</b>	<b>18,91,206</b>	<b>3,73,599</b>	<b>7,80,351</b>	<b>5,423</b>	<b>53,14,359</b>	<b>79,895</b>
<i>Total previous year</i>	<i>63,163</i>	<i>1,699</i>	<i>37,868</i>	<i>16,63,588</i>	<i>3,55,370</i>	<i>7,49,717</i>	<i>3,699</i>	<i>45,08,923</i>	<i>85,085</i>
<b>GRAND TOTAL ..</b>	<b>28,87,770</b>	<b>23,48,625</b>	<b>17,12,200</b>	<b>1,95,07,544</b>	<b>78,35,016</b>	<b>81,47,492</b>	<b>16,60,121</b>	<b>8,04,81,367</b>	<b>26,84,904</b>
<i>Grand Total previous year</i>	<i>27,57,489</i>	<i>12,39,085</i>	<i>13,91,321</i>	<i>1,37,31,529</i>	<i>68,79,275</i>	<i>77,06,730</i>	<i>8,59,368</i>	<i>7,00,59,154</i>	<i>27,32,011</i>

† Revised figure.

Reserve fund.	Working capital.*	Profit (+) and loss (—) for the year.	Usual dividend paid on shares.	MOST USUAL RATE OF INTEREST		Province.
				on borrowings.	on lendings.	
28	29	30	31	32	33	
Rs.	Rs.	Rs.	Per cent.	Per cent.	Per cent.	
10,99,388	2,27,17,456	+7,20,230	6½	7½ to 8½	9½ to 11	Madras.
12,35,072	1,60,13,575	+2,71,713	6½ and 7½	6½	9½	Bombay.
20,05,168	1,38,78,116	+7,11,381	12½	10½	15½	Bengal.
8,44,356	64,04,598	+2,49,087	9½	12½	15½	Bihar and Orissa.
11,12,769	64,70,669	+1,82,539	—	12	15	United Provinces.
57,47,407	2,52,60,655	+10,49,002	—	8 and 9	12½	Punjab.
26,75,973	1,78,46,996	+4,23,556	—	10	15	Burma.
12,94,721	1,22,64,199	+3,30,464	7½	10 to 12	12 to 15	Central Provinces and Berar.
1,92,138	7,07,211	+37,662	12½	9	12½	Assam.
72,585	2,15,908	+16,822	10	5 to 8	12½	Coorg.
1,96,700	20,25,141	+84,273	—	9	12	Ajmer-Merwara.
766	1,44,040	+2,814	—	9	12½	Delhi.
1,64,77,043	12,37,48,584	+40,76,543	—	—	—	Total (British India).
1,41,43,506	10,81,35,186	+29,15,565	—	—	—	Total previous year.
2,70,445	25,12,033	+1,10,321	6 to 7½	7 to 7½	9 to 12	Mysore.
2,60,407	15,40,892	+33,851	—	6	9½	Baroda.
4,32,242	45,59,197	+1,99,270	—	7 and 9	12½	Hyderabad.
47,185	8,34,930	+46,345	—	6 and 9	12	Bhopal.
10,10,229	94,56,052	+3,89,796	—	—	—	Total (Indian States).
9,12,150	90,94,517	+3,10,379	—	—	—	Total previous year.
1,74,67,272	13,32,04,616	+44,68,339	—	—	—	GRAND TOTAL.
1,50,61,636	11,72,29,703	+32,25,944	—	—	—	Grand Total previous year.

\* For the purposes of this Statement the working capital is taken to be the total of columns 22 to 28.

## OPERATIONS OF NON-AGRICULTURAL SOCIETIES (1921-22).

Province.	Class of Societies. (a) Limited. (b) Unlimited.					Total number of societies.	Number of members.	LOANS MADE DURING THE YEAR TO	
	Credit.	Purchase and purchase and sale.	Production	Production and sale.	Other forms of co-operation.			Individuals.	Banks and societies.
1	2	3	4	5	6	7	8	9	10
Madras .. ..	No. 532 { (a) 532 (b) 182 }	No. 114 { (a) 114 (b) 11 }	No. 1 { (a) 1 }	No. 8 { (a) 8 (b) 2 }	No. 21 { (a) 21 (b) 5 }	No. 856	No. 124,762	Rs. 69,34,043	Rs. 5,39,521
Bombay .. ..	{ (a) 375 (b) 35 }	{ (a) 84 (b) 11 }	—	{ (a) 29 (b) 43 }	{ (a) 35 (b) 14 }	561	112,154	94,79,002	12,02,171
Bengal .. ..	{ (a) 161 (b) 1 }	{ (a) 80 (b) 11 }	—	{ (a) 1 (b) 196 }	{ (a) 14 (b) 14 }	453	68,720	58,92,214	1,67,478
Bihar and Orissa ..	{ (a) 60 (b) 52 }	{ (a) 26 (b) 11 }	—	{ (a) 8 (b) 81 }	{ (b) 25 (b) 11 }	261	15,994	10,19,334	62,872
United Provinces ..	{ (a) 42 (b) 129 }	{ (a) 24 (b) 11 }	(a) 1	—	(a) 3	190†	11,268	8,37,494	11,872
Punjab .. ..	{ (a) 22 (b) 172 }	{ (a) 92 (b) 70 }	—	—	(a) 45	401	17,594	10,57,634	45,133
Burma .. ..	{ (a) 138 (b) 33 }	{ (a) 11 (b) 11 }	—	(a) 15	(a) 2	199	26,122	47,02,193	2,86,777
Central Provinces and Berar ..	{ (a) 10 (b) 57 }	{ (a) 24 (b) 11 }	—	{ (a) 1 (b) 2 }	{ (a) 1 (b) 11 }	95	6,289	2,68,753	33,360
Assam .. ..	(a) 25	(a) 32	—	—	—	57	7,369	2,48,509	15,300
Coorg .. ..	(a) 10	(a) 1	—	—	—	11	1,162	41,376	—
Ajmer-Merwara ..	{ (a) 25 (b) 2 }	{ (a) 1 (b) 15 }	—	—	—	43	4,088	1,54,059	2,632
Hyderabad Administered Areas ..	(a) 2	{ (a) 3 (b) 1 }	—	(a) 1	(a) 1	8	268	51,388	14,714
Delhi .. ..	(b) 1	{ (a) 3 (b) 37 }	—	(a) 1	—	42	934	8,313	379
Total (British India)	{ (a) 1,371 (b) 644 }	{ (a) 495 (b) 134 }	(a) 2	{ (a) 64 (b) 324 }	{ (a) 122 (b) 30 }	3,186	3,96,724	3,06,94,912	23,62,299
Total previous year	{ (a) 1,194 (b) 565 }	{ (a) 554 (b) 172 }	(a) 3	{ (a) 29 (b) 247 }	{ (a) 74 (b) 22 }	2,860	3,39,108	2,62,49,559	26,40,760
Mysore .. ..	{ (a) 134 (b) 24 }	{ (a) 77 (b) 28 }	—	{ (a) 2 (b) 5 }	—	270	43,152	37,40,780	—
Baroda .. ..	{ (a) 8 (b) 34 }	{ (a) 3 (b) 11 }	—	—	—	45	3,443	1,80,163	2,450
Hyderabad .. ..	{ (a) 112 (b) 2 }	{ (a) 14 (b) 7 }	—	(b) 7	(b) 1	173	7,357	5,89,300	32,357
Total (Indian States)	{ (a) 254 (b) 60 }	{ (a) 94 (b) 65 }	—	{ (a) 2 (b) 12 }	{ (b) 1 (b) 11 }	488	53,952	45,1,243	34,867
Total previous year	{ (a) 238 (b) 56 }	{ (a) 99 (b) 68 }	—	{ (a) 4 (b) 4 }	{ (a) 1 (b) 11 }	462	51,405	17,51,880	2,58,228
Grand Total .. ..	{ (a) 1,625 (b) 704 }	{ (a) 589 (b) 199 }	(a) 2	{ (a) 66 (b) 336 }	{ (a) 122 (b) 31 }	3,674	450,676	3,52,05,155	24,17,016
Grand Total previous year	{ (a) 1,132 (b) 621 }	{ (a) 644 (b) 240 }	(a) 3	{ (a) 33 (b) 251 }	{ (a) 75 (b) 23 }	3,322	390,513	310,01,439	27,98,988

† Figures for 4 Societies not received and 19 not commenced work.

RECEIPTS FROM LOANS AND DEPOSITS REPAID DURING THE YEAR BY		LOANS DUE BY			LOANS AND DEPOSITS RECEIVED DURING THE YEAR FROM			Province.
Individuals.	Banks and Societies.	Individuals.	Of which overdue.*	Banks and Societies.	Individuals.	Central Banks.	Primary Societies.	
11	12	13	14	15	16	17	18	
Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	Ra.	
55,32,128	4,32,390	72,70,210	9,16,999	7,89,189	60,77,623	13,54,239	34,835	Madras.
81,99,288	10,61,530	90,11,976	6,89,280	10,03,401	83,00,932	15,02,173	12,34,789	Bombay.
49,26,581	1,47,431	62,49,115	5,79,758	1,34,766	23,73,299	1,62,711	1,20,687	Bengal.
6,56,903	98,994	10,21,475	1,84,304	68,213	4,75,547	6,93,726	20,682	Bihar and Orissa.
6,11,960	13,146	7,18,454	82,584	1,928	7,02,413	1,83,003	—	United Provinces.
7,48,549	80,699	8,28,595	36,266	46,482	4,82,516	2,96,116	38,026	Punjab.
38,21,508	2,45,873	36,33,370	—	2,57,075	23,56,586	9,54,923	2,40,937	Barma.
1,98,805	36,603	2,22,677	—	37,167	1,93,588	33,498	1	Central Provinces and Berar.
1,65,246	2,770	3,79,587	90,472	86,466	2,13,883	14,750	945	Assam.
29,023	—	32,894	—	300	6,736	300	300	Coorg.
1,24,180	3,528	1,08,178	5,369	1,887	34,059	2,80,776	623	Ajmer-Merwara.
20,663	5,438	37,261	—	9,256	68,669	—	14,564	Hyderabad Admin- istered Area.
1,143	105	21,855	—	456	169	10,248	223	Delhi.
<b>2,59,30,986</b>	<b>31,45,901</b>	<b>3,04,25,630</b>	<b>26,64,932</b>	<b>20,42,556</b>	<b>2,09,95,870</b>	<b>62,88,373</b>	<b>17,06,612</b>	Total (British India).
<b>2,12,02,299</b>	<b>18,22,233</b>	<b>2,41,87,630</b>	<b>2,05,723</b>	<b>15,83,163</b>	<b>1,77,87,706</b>	<b>19,99,260</b>	<b>13,38,095</b>	Total previous year.
<b>36,49,848</b>	<b>5,000</b>	<b>33,94,538</b>	<b>3,20,333</b>	<b>—</b>	<b>23,55,542</b>	<b>46,524</b>	<b>1,37,057</b>	Mysore.
<b>1,63,361</b>	<b>79,341</b>	<b>2,27,525</b>	<b>11,125</b>	<b>1,950</b>	<b>2,91,429</b>	<b>12,500</b>	<b>—</b>	Baroda.
<b>5,02,477</b>	<b>43,210</b>	<b>4,57,984</b>	<b>—</b>	<b>59,511</b>	<b>1,92,797</b>	<b>41,184</b>	<b>10,582</b>	Hyderabad.
<b>43,15,886</b>	<b>1,27,551</b>	<b>38,20,047</b>	<b>8,31,458</b>	<b>61,461</b>	<b>23,39,768</b>	<b>1,00,306</b>	<b>1,47,639</b>	Total (Indian States)
<b>42,79,761</b>	<b>2,24,766</b>	<b>37,45,174†</b>	<b>5,22,350</b>	<b>96,905</b>	<b>21,30,462</b>	<b>2,22,472</b>	<b>2,04,043</b>	Total previous year.
<b>2,83,46,672</b>	<b>22,73,482</b>	<b>3,43,05,677</b>	<b>34,90,399</b>	<b>21,94,047</b>	<b>2,38,35,638</b>	<b>63,88,581</b>	<b>18,54,251</b>	GRAND TOTAL.
<b>2,54,82,060</b>	<b>20,46,999</b>	<b>2,79,32,804†</b>	<b>27,28,073</b>	<b>16,80,068</b>	<b>2,02,18,176</b>	<b>43,21,732</b>	<b>15,42,137</b>	Grand Total previous year.

\* The term "loans overdue" means loans due for payment which have not been paid and for which extension has not been granted by competent authority.

† Revised figure.

OPERATIONS OF NON-AGRICULTURAL SOCIETIES (1921-22)—*contd.*

Province.	Sales of goods to members.	Purchases of members' products	Cost of management	Share Capital paid up.	LOANS AND DEPOSITS HELD AT THE END OF THE YEAR FROM				
					Members.	Non-members.	Societies.	Provincial or Central Banks.	Government.
	19	20	21	22	23	24	25	26	27
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Madras ..	19,97,522	2,02,942	2,43,430	25,83,688	22,25,368	22,38,006	21,258	11,85,629	22,105
Bombay ..	9,07,721	4,03,427	2,44,515	36,88,423	67,39,248	22,13,744	2,75,716	3,36,658	10,39,101
Bengal ..	9,41,621	29,382	1,37,112	22,60,754	25,27,078	19,12,462	58,070	2,40,660	—
Bihar and Orissa ..	6,06,977	4,57,400	46,031	4,52,381	2,80,208	1,54,651	23,821	5,42,847	4,430
United Provinces ..	77,563	—	12,881	2,75,191	3,60,496	18,189	39	1,64,775	—
Punjab ..	6,38,822	3,05,511	31,555	3,31,004	3,20,343	65,467	44,133	3,30,485	1,200
Burma ..	13,36,418	7,81,252	1,07,784	24,11,524	6,22,073	6,66,829	91,904	2,53,202	61,289
Central Provinces and Berar ..	2,47,252	—	24,716	2,12,161	80,860	61,848	8,890	64,682	—
Assam ..	3,27,030	—	18,185	1,74,223	1,98,670	2,11,276	7,630	22,492	—
Coorg ..	4,044	—	1,422	27,554	4,743	4,227	300	—	500
Ajmer-Merwara ..	3,89,250	3,91,381	23,647	82,271	24,150	9,299	734	1,45,386	—
Hyderabad Administered Areas ..	92,928	—	4,256	22,083	32,319	—	9,126	—	—
Delhi ..	5,298	802	627	5,065	22	4,081	—	20,858	—
<b>Total (British India) ..</b>	<b>76,62,346</b>	<b>26,62,165</b>	<b>8,97,061</b>	<b>1,25,35,412</b>	<b>1,34,34,571</b>	<b>75,60,082</b>	<b>5,41,251</b>	<b>33,15,683</b>	<b>11,28,715</b>
<b>Total previous year ..</b>	<b>68,09,415</b>	<b>16,60,367</b>	<b>6,74,070</b>	<b>1,02,86,045</b>	<b>35,96,837</b>	<b>77,03,401</b>	<b>6,29,222</b>	<b>23,75,277</b>	<b>5,40,279</b>
Mysore ..	12,10,783	4,21,031	1,22,228	18,47,710	8,04,679	4,51,851	46,874	1,17,097	3,051
Baroda ..	38,867	—	16,340	45,465	2,00,658	30,682	—	24,721	2,800
Hyderabad ..	2,63,383	—	12,258	4,71,381	1,80,442	—	22,023	1,06,871	32,046
<b>Total (Indian States) ..</b>	<b>15,13,033</b>	<b>4,21,091</b>	<b>1,10,835</b>	<b>23,64,556</b>	<b>12,03,779</b>	<b>4,88,533</b>	<b>68,897</b>	<b>2,49,592</b>	<b>37,897</b>
<b>Total previous year ..</b>	<b>14,07,957</b>	<b>4,37,145</b>	<b>87,237</b>	<b>22,68,575</b>	<b>8,83,382</b>	<b>5,72,856</b>	<b>1,93,022</b>	<b>1,55,498</b>	<b>13,913</b>
<b>GRAND TOTAL ..</b>	<b>91,75,379</b>	<b>30,83,256</b>	<b>10,07,896</b>	<b>1,49,00,068</b>	<b>1,46,38,350</b>	<b>80,48,615</b>	<b>6,10,148</b>	<b>35,65,275</b>	<b>11,66,612</b>
<b>Grand Total previous year ..</b>	<b>82,17,372</b>	<b>21,03,512</b>	<b>7,61,307</b>	<b>1,25,54,620</b>	<b>94,80,119</b>	<b>82,76,257</b>	<b>8,22,244</b>	<b>25,30,775</b>	<b>5,54,192</b>

\* Stock bought.

Reserve fund.	Working capital.*	Profit (+) and loss (-) for the year.	Usual dividend paid on shares.	MOST USUAL RATE OF INTEREST		Province.
				on borrowings.	on lendings.	
28	29	30	31	32	33	
Rs.	Rs.	Rs.	Per cent.	Per cent.	Per cent.	
5,03,645	87,70,702	+4,06,308	6 to 7½	6	9½ to 11	Madras.
6,00,025	1,43,91,505	+3,31,830	3 to 7½	6½	9½	Bombay.
3,85,280	73,03,203	+1,84,544	12½	11	12½ & 15½	Bengal.
79,795	15,47,223	+75,646	9½	12½	12½	Bihar and Orissa.
65,226	8,02,916	+25,232	10	12	15	United Provinces.
1,01,118	12,02,840	+15,220	—	8	12½	Punjab.
2,98,066	44,05,737	+3,52,230	—	9	15	Burma.
26,846	4,55,296	+3,200	6	12	15	Central Provinces and Berar.
48,249	6,62,540	+26,660	12½	6½	12½	Assam.
1,365	38,639	+1,863	10	6½	12½	Coorg.
4,197	2,66,037	-14,738	—	9	12	Ajmer-Merwara.
626	64,154	+10,626	10	9	12½	Hyderabad Administered Area.
366	30,392	+425	—	9	12½	Delhi.
21,14,784	4,06,30,504	+14,10,305	—	—	—	Total (British India).
17,24,910	3,18,55,971	+10,49,646	—	—	—	Total previous year.
4,44,139	37,18,301	+2,04,845	6½	5½ to 7	9 to 12	Mysore.
19,777	3,39,103	+6,496	—	6	6½	Baroda.
32,907	8,54,673	+40,945	10	9	12½	Hyderabad.
4,96,823	48,10,077	+2,52,286	—	—	—	Total (Indian States).
4,05,796	44,92,942	+2,56,961	—	—	—	Total previous year.
26,11,607	4,55,40,581	+16,71,581	—	—	—	GRAND TOTAL.
21,30,706	3,63,43,913	+13,06,607	—	—	—	Grand Total previous year.

\* For the purpose of this Statement the working capital is taken to be the total of columns 22 to 28.

## OPERATIONS OF UNIONS (1921-22)

Province.	Number of Unions.	Number of Societies affiliated to Unions in column 2	Total number of individual members in Societies affiliated.	Total working capital of affiliated Societies.	Expenditure in year.	Percentage of column 6 on column 5 (one place of decimals).	Number of super- vising staff maintained by Unions.	REMARKS.
1	2	3	4	5	6	7	8	9
	No.	No.	No.	Rs.	Rs.	Per cent.	No.	
Madras .. .. .	209(a)	5,494	3,28,377	2,41,43,071	1,20,607	0.5	176	
Bombay .. .. .	69	445	73,476	53,25,680	20,700	0.4	104	
Bengal .. .. .	6	200	8,509	2,98,732	719	0.2	1	
Bihar and Orissa .. .. .	93*	4,310*	1,20,912*	1,25,64,568*	5,173	0.4	193	
United Provinces .. .. .	9	104	3,018	1,48,287	—	—	7	
Burma .. .. .	532	4,256	93,566	1,67,84,414	1,33,852	0.7	74	
Central Provinces and Berar .. .. .	300†	6,010‡	1,04,927‡	3,03,10,800‡	2,20,285§	0.7	291§	
Assam .. .. .	1	10	202	12,440	—	—	—	
Ajmer-Merwara .. .. .	2	135	2,991	5,21,834	1,120	0.2	3	
Total British India .. .. .	1,230	20,973	7,35,976	9,01,09,326	5,02,455	0.6	849	
Total previous year .. .. .	1,141	18,791	6,30,870	7,83,86,704	4,41,700	0.6	719	
Bhopal .. .. .	8	185	2,875	2,27,046	386	0.2	(b)	
Previous year .. .. .	7	137	2,313	2,03,744	270	0.1	6†	
GRAND TOTAL .. .. .	1,238	21,158	7,38,861	9,03,36,872	5,02,842	0.6	849	
Grand Total previous year .. .. .	1,148	18,928	6,33,183	7,91,90,448	4,41,970	0.6	725	

\* Includes figures for the Bihar and Orissa Co-operative Federation, Limited.

† Two members of the staff are honorary.

‡ Includes figures for the Co-operative Federation, Central Provinces and Berar.

§ Figures for the Co-operative Federation, Central Provinces and Berar, only.

(a) Excluding two propagandist unions.

(b) The staff is honorary.

## OPERATIONS OF CATTLE INSURANCE SOCIETIES (1921-22)

Province.	NUMBER OF		Amount of risk insured	Premium collected.	Supplementary contributions collected	NUMBER OF ANIMALS		Claims paid.	Cost of management.	Funds in hand at end of year.	Amount of risk re-insured.	Amount of premium paid for re-insurance.	REMARKS.
	Societies.	Members				Insured.	Lost.						
1	2	3	4	5	6	7	8	9	10	11	12	13	14
	No.	No.	Rs.	Rs.	Rs.	No.	No.	Rs.	Rs.	Rs.	Rs.	Rs.	
Bombay .. .. .	9	375	12,060	808	—	188	3	100	143	958	—	—	
Punjab .. .. .	41	529	59,383	3,033	156	560	6	381	41	6,185	5,805	223	
Burma .. .. .	383	6,013	1,34,964	3,957	—	3,056	79	3,509	291	36,712	64,703	1,928	
Coorg .. .. .	10	220	2,887	6,111	3,170	691	425	5,473	—	3,809	—	—	
United Provinces .. .. .	1	23	1,808	20	—	24	—	—	—	20	—	—	
TOTAL .. .. .	444	7,160	2,10,902	13,729	3,326	4,519	513	8,463	475	47,684	70,508	2,151	
Total previous year .. .. .	433	6,957	2,10,033	13,650	3,161	4,775	541	10,134	569	34,748	1,00,972	2,665	



## OPERATIONS OF CENTRAL RE-INSURANCE SOCIETIES (1921-22)

Province.	Number of Re-insurance Societies.	Number of affiliated Societies.	Proportion of risk of affiliated Societies re-insured.	Amount of risk re-insured.	Premiums collected.	NUMBER OF ANIMALS COVERED BY AFFILIATED SOCIETIES		Claims paid to affiliated Societies.	Cost of management	FUNDS IN HAND AT END OF YEAR.		Government subscriptions, loans, etc.	REMARKS.
						In-sured	Lost.			General Fund.	Reserve Fund.		
1	2	3	4	5	6	7	8	9	10	11	12*	13	14
	No.	No.		Rs.	Rs.	No.	No.	Rs.	Rs.	Rs.	Rs.	Rs.	
Punjab .. ..	1	13	1	5,445	214	119	1	33	—	1,050	—	—	
Burma .. .	1	383	1	64,703	1,761	2,720	86	978	1,128	4,913	10,000	—	
TOTAL .. .	2	396	—	70,148	1,965	2,839	87	1,011	1,128	5,972	10,000	—	
Total previous year	2	394	—	1,00,232	2,866	3,625	152	1,799	1,595	4,913	10,792	—	

## *The Crown Colonies*

Some indication of the development of co-operative organization in the smaller units of the Empire is given in the following brief reports from some of the Crown Colonies.

### LESSER ANTILLES.

Provision was made in 1915 by legislation for the registration of agricultural credit societies of the Raiffeisen type in St. Lucia, for the encouragement of this form of co-operation, and for financial assistance by the government in the shape of loans to the societies up to a total of £3,000. This was the direct outcome of similar measures which were introduced in 1913 in St. Vincent, where the limit was £500. Similar legislation was passed in Trinidad in 1915. At the date of the information available there were 12 Societies working successfully in St. Vincent and 6 societies in St. Lucia.

### BARBADOS.

In 1907 the Barbados Sugar Industry Agricultural Bank was established, having for its object the administration of the Grant of £80,000 made in aid of the sugar industry of the Island by the Imperial Parliament. Loans are made to planters at 6 per cent. This scheme has been extended to the Cotton industry.

### JAMAICA

The system in Jamaica empowers the Government to advance money to agricultural loan societies which are conducted on a basis of limited liability, essentially a relief system designed to help small landowners at the time of natural disasters. The interest charged by the Government to the Loan Bank is 4 per cent. and by the local banks to borrowers 6 per cent., the difference being necessary to meet the expenses of local banks and to provide a Reserve fund.

### ANTIGUA

A strong tendency toward agricultural co-operation is one of the most striking features of social and economic interest on the island. This is due to adverse climatic conditions and the fact that the island was dependent on one industry, sugar production. The first combination was in respect of that industry, and the success led in 1913 to co-operation amongst onion growers, and later amongst cotton growers and lime growers.

The onion growers have a central grading and packing house, and members' crops are marketed on a co-operative basis. All the onion growers on the island with two exceptions are members of the association. A Co-operative Kiln-drying plant for the local maize crop has been set up, and the erection of a meal-making machine was under contemplation.

## BRITISH GUIANA

British Guiana has a Co-operative Credit Banks Ordinance with the object of providing for the granting of State aid to Co-operative Credit Banks and the proper supervision of the same.

## MAURITIUS

On the 30th June, 1920, there were on the island 23 co-operative credit societies with 2,781 members. This individual membership varies from 51 to 245. The proportion of members to whom loans were granted during the year was 62.7 per cent. of the total membership. Loans are usually issued for a year or for a shorter period, made during the earlier part of the year and repayable after the sugar crop has been gathered. Loans for shorter terms are made in respect of other crops.

## CEYLON

There are 100 agricultural credit societies with a membership of 11,026 and a paid-up share capital of 64,117Rs. and a reserve fund of 10,842Rs. Interest charged on loans varies from 6-12 per cent. Loans are made for the purchase or lease of land, the purchase of seeds, cattle, carts, manure, etc. The supply of agricultural requisites by the Societies is developing. Loans are made to the societies by the Loan and Development Commissioners.

## MALAYA.

As in the experience of India, little progress was possible in the formation and control of Co-operative Societies in Malaya until special laws, applicable to them alone, were passed. It was not until July 1, 1922, that the Co-operative Societies Enactment, passed by the Federal Council of the Federated Malay States, came into force. A start was made with Thrift and Loan Societies amongst Government servants. Salary earners were suffering from the high rates of interest—usually varying from 17 to 36 per cent. per annum—demanded by the money lenders; they were very soon able by combined action to obtain their requirements at rates varying from 6 to 8 per cent. These Societies, dealing as they did with educated people, were easily formed. Within eighteen months of the passing of the Enactment, fifteen such Societies had been formed with a membership of about 2,000.

A start was at the same time made with the agriculturists, and here progress was naturally more slow. The first Societies were formed amongst the Malay rice planters in Krian. Few of them could read or write their own language while none had any knowledge of keeping books. Within eighteen months, however, six societies were actually working. The formation of societies is at present greatly dependent on the existence of men with sufficient education to keep the books and records. Two small Co-operative Stores were opened, but did not make much progress. Strict insistence on cash purchases proved too great a strain on members, long accustomed to buying on credit.

Much work is being done in propaganda in many languages. The scope for the application of Co-operative principles seems as great in Malaya as in India, which has furnished the models of the Societies now in existence, and there seems every reason to expect a great and rapid growth. Enquiries regarding organisation have come from Kedah, Kilantan, Irengganu, all parts of the Straits Settlements, Brunei and other parts of the Archipelago.

## *Overseas Marketing*

Consideration of the larger object of all co-operative organization, to promote a system of production and distribution in which every operation from producer to consumer shall be co-operative, is not within the province of this survey, which would, however, be incomplete without a few notes on the remarkable developments which are taking place in this direction, particularly in the linking up of the agricultural co-operators of the Dominions and the industrial co-operators of Great Britain. It is well understood that this is not the primary purpose of the movement which has created the various overseas co-operative marketing enterprises of the Dominions, which is simply the most orderly and profitable disposal of their produce in the British market. The extent to which their goods can reach the consumer through exclusively co-operative channels is governed by the ability of the British distributive agencies to absorb it in competition with other buyers. But it may be noted, before passing on to a brief review of overseas marketing, that in this way the ideal of co-operative production and distribution is being achieved to-day to the extent of many millions of pounds worth of meat, fruit, butter and other dairy produce.

In pre-war days three Australian export companies, namely, the Coastal Farmers' Co-operative Society, Ltd., the Western Districts Co-operative Society, and the Gippsland and Northern Co-operative Society, were represented in England by three importing firms. Each of the three Australian companies named had also a salaried man of their own in attendance in London to generally protect their interests. The three men conferred with one another and with the respective agents. They were advised regarding shipments in prospect, and endeavour was made to regulate the placing of the shipments on the market.

One of the large Dairy Companies in New Zealand later combined with the English Co-operative Wholesale Society in forming a Dairy Produce Export Company in New Zealand, in which the New Zealand Producers' Company and the English Wholesale Society have equal representation. In the event of differences of opinion, it is understood that the producers are allowed to have the determining voice. The New Zealand Co-operative Dairy Co. of Hamilton, the largest Co-operative Dairy Co. in New Zealand, established a branch of its own in London, under a London Manager, distribution being effected through four Tooley-street firms.

The increased quantity of butter available for export from that Dominion, and the extent to which the production increased of recent years, occasioned considerable difficulty in marketing. The New Zealand dairymen, however, boldly faced the position, and, in order to enable

them to market their product in an efficient manner, there was placed on the Statute Book the New Zealand Dairy Produce Export Control Act. This measure vests in a Committee of Representative Dairymen control of the marketing of all New Zealand dairy produce.

The most recent and most successful development of overseas marketing, however, is on a more ambitious scale than any of the above examples, and notably on a broader basis. It is built from primary units to regional, national, and finally an international unit comprising three of the great Dominions in its structure.

For the sake of proportion it may be well to describe one of the regional units in this organisation, the link between the primary and national units, taking the Farmers' Co-operative Distributing Co. of Queensland. It was organised in March, 1905, with a nominal capital of £250,000, in 250,000 shares, £1 each, of which £21,519 paid up shares are held by nineteen co-operative dairy companies and about 1,200 individual shareholders. For the year ended 30th June, 1923, the turnover was £702,623, and the profit for the year £5,062. Since the inception of the company in 1905 it has paid to its supplying shareholders £21,000 in bonus distributions (of which £15,000 was in fully paid up shares issued to supplying shareholders, and the balance in cash) and £5,850 in dividends to its shareholders. This company carries on a general business of dairy produce, including local trade in butter, cheese and bacon, and also exports these commodities. It caters to a limited extent for fruit growers, having a stand on the municipal market, and handles also poultry, eggs, honey and vegetables.

The national organisation of Australia is the Australian Producers' Wholesale Co-operative Federation, which was formed as a registered company in Melbourne in May, 1920, by the principal Co-operative companies of Australia, including as the Queensland member, the regional company described in the preceding paragraph. After registration the Australian Federation linked up with the national federations of New Zealand and South Africa under an arrangement for joint working in London, with separate financial responsibility.

The London organization is known as the Overseas Farmers' Co-operative Federations, Ltd., 88-90, Chiswell Street, London. Its capital was subscribed by the Australian Producers' Wholesale Co-operative Federation, the Farmers' Wholesale Federation (New Zealand), Ltd., and the Federated Farmers' Co-operative Association of South Africa, Ltd.

The London company acts as representative of these three national co-operative organizations, and, through them, of all the local units, the primary producers' co-operative associations affiliated with them, and performs the service of:—

- (1) Marketing and distributing all kinds of produce sent to the United Kingdom and the Continent from the countries concerned.
- (2) Combined purchasing of all requirements for export from the United Kingdom and the Continent to Australia, New Zealand, and South Africa.

In the marketing of produce minimum commission for the purpose of covering office and other expenses is deducted from account sales. All goods are purchased for export on a commission basis. Concentration of purchasing power has resulted in very considerable savings to the federated companies. Business was commenced in London on October 11, 1920, and after writing off all preliminary expenses, meeting current expenditure, and providing reserves out of commissions, which have been kept on a low basis, the organization was able, at the end of its third year, to carry forward a balance of profit amounting to many thousands of pounds.

In transacting operations for South Africa, New Zealand and Australia, the business is controlled separately in very complete form. Book-keeping has been most elaborately devised to ensure continuity of this practice, and in no circumstances are the financial responsibilities of one country mixed with those of another. The trade departments are sectionalised by commodities, and at present consist of : (1) Dairy Produce, with membership of Home and Foreign Produce Exchange ; (2) Wheat and Grain, with membership of Baltic Exchange ; (3) Fresh Fruit ; (4) Dried and Canned Fruit ; (5) Wool, Meat and General Produce ; (6) General Merchandise and Soft Goods.

During the season, 1922-23, the Overseas Company handled, amongst other commodities, 400,000 boxes of butter, 20,000 boxes of eggs, 300,000 boxes of fresh fruit, 100,000 boxes of dried fruit, and 25,000 carcasses.

Examples of other forms of co-operative overseas marketing, in which the origin of the goods may or may not be co-operative, are pre-eminently the British Australian Wool Realisation Association, Limited, of which an account has been given in the Australian chapter, and the New Zealand Meat Producers' Board. The latter was established by a special Act of Parliament in 1922 as " a Board of Control, with power to act as the agent for the producers in respect of the preparation, storage and shipment of meat, and in respect of the disposal of such meat beyond New Zealand." The effect of this control has been to secure many economies in the handling of meat for export, including a reduction of freight charges, and an improvement in the grading of shipments. It has also made possible the placing of meat on the London market in a more orderly response to the demands of the market, thus aiding in the stabilisation of prices.

## *Appendices*

### *Appendix A.*

#### MEMORANDUM AND SCHEDULE

*(The original memorandum calling the first conference of Agricultural Co-operators throughout the Empire is here given, with the Schedule of Information Desired.)*

Since 1889, when Sir Horace Plunkett initiated in Ireland the modern co-operative movement among agricultural producers in the British Isles, numerous similar movements have been developing in various parts of the Empire. Circumstances, however, have hitherto prevented any adequate exchange of information between the various movements. This absence of inter-communication is much to be regretted, since all the movements have many interests in common. In all cases the direct practical object is to secure a better return to the agriculturist by effecting the economies of large scale purchases and sales, and by substituting as far as possible agricultural control for that of independent middlemen during the passage of produce from the farmer to the consumer. As essential supplements to such organisation, the co-operative purchase of farm requirements has generally been developed, as in many cases the co-operative supply of facilities for credit and insurance.

The broader justification of the co-operative movements has been to render more efficient, economically and socially, national agriculture, as a fundamental factor of national welfare.

Since, in different parts of the Empire, different portions of co-operative organisation will have been specially studied and developed by agriculturists, an interchange of views and information is likely to be helpful, especially at the present time, when falling prices and trade depression are raising serious problems for many of the co-operative organisations.

A favourable opportunity for a first attempt at such an interchange of views, is provided by the British Empire Exhibition in 1924, when it is hoped that many agricultural co-operators from overseas will visit England.

The Horace Plunkett Foundation having been created by Sir Horace Plunkett for the general furtherance of rural interests, the Trustees have taken upon themselves the initiation of a conference of agricultural co-operators at the British Empire Exhibition. They have for this purpose secured the personal support of the Presidents and Chairmen of the Agricultural Organisation Societies of England, Ireland, Scotland, and Wales, and the approval of the English, Irish and Scotch Ministries or Departments of Agriculture.

It is proposed to restrict the Conference to citizens of the British Commonwealth, and to devote to it four days, during which an agreed programme of subjects would be discussed, time being left to the delegates for an exchange of views between individuals. The exact dates, probably in July, 1924, will be arranged later to suit the convenience of delegates.

In order that those attending the conference may have beforehand as much general and statistical information as possible, the Trustees are prepared to edit and publish a survey of the present position of Agricultural Co-operation in the Empire, if the Governments of the various Dominions and Possessions will kindly collect and forward to the Trustees, in the form of a report, all the material available to them.

It is, of course, desired that each part of the British Commonwealth should feel free to draft such form of report as it may think fit. The Editor of the Survey, however, will be greatly assisted, if the subjects enumerated in the attached schedule may be included among those dealt with in each report.

(Signed) K. WALTER,  
*Editor of Survey.*

12th November, 1923.  
13, Queen Anne's Gate,  
London, S.W.1.

# SCHEDULE OF INFORMATION DESIRED ON THE POSITION OF THE AGRICULTURAL CO-OPERATIVE MOVEMENT IN THE DIFFERENT PARTS OF THE BRITISH EMPIRE.

## COUNTRY :

### *A.—Propaganda and Organisation.*

1. The year in which the movement started.
2. The central body responsible for general propaganda and organisation, its title and address.
3. Manner in which the central body is supported.
4. The extent of State aid received by it.
5. How the agricultural co-operative societies are affiliated to it and on what basis they contribute.
6. Other societies, or federations of societies, not affiliated to it.
7. Relations between the agricultural co-operative movement and the distributive (wholesale and retail) co-operative movement among consumers.

### *B.—The Work of the Co-operative Societies.*

8. The provision of technical instruction and advice.
9. The main business of the societies : purchase of agricultural requirements and sale of members' produce with comparative figures available.
10. Societies which combine several branches of work, such as purchase of requirements, sale of dairy products, auction marts, and sale of fruit.
11. Societies formed for special branches of work.



12. Classification of societies, showing number of societies, membership, capital, and turnover, with grand total for the movement, under each heading.

14. Co-operative Insurance and Credit Facilities.

15. The system under which Societies are audited.

### *C.—Federations.*

16. The Federation of Societies for business purposes, giving titles and addresses.

17. Examples of regional and commodity federation, showing prevailing tendency.

18. Federation activities :

(1) Central bulked purchase of requirements.

(2) Central sale of produce (a) at home, (b) elsewhere within the Empire, (c) in other countries.

(3) Standardisation of produce by brands or otherwise.

19. Contractual obligations between

(a) Members and their societies.

(b) Societies and their federations.

20. Observations on respective values of Loyalty and Law as basis of association.

### *D.—General.*

21. The annual value of the country's principal agricultural products and agricultural exports since the beginning of co-operation.

22. The annual value of such products marketed by societies, federations of other co-operative marketing organisations (a) at home, (b) elsewhere in the Empire, (c) in other countries.

23. The relations between transport development and co-operative organisation.

24. Salaries of staff as compared with salaries in joint stock companies and private enterprise.

25. Facilities for training staff.

26. The legal basis of co-operative organisation.

27. General relations between the State and the agricultural co-operative movement.

28. General attitude of public as regards State grants in aid of co-operation.

29. In what manner the agricultural co-operative movement is related to any political party or movement.

30. The attitude of other farmer organisations toward the co-operative movement.

31. The chief difficulties encountered in extending the co-operative movement.

32. The extent to which agricultural co-operation is studied in agricultural colleges.

33. The reaction of co-operative business upon farming methods.

34. Value of co-operative societies as distributing centres of information.

35. Co-operative initiative in the social life of the community.

## *Appendix B.*

### BRITISH TRIBUNAL OPINION ON CO-OPERATION

*(The following review of agricultural co-operative organization, including credit and insurance, with recommendations for the further application of the method to English agriculture, is from the Final Report of the Agricultural Tribunal of Investigation, signed by Sir William J. Ashley, Professor W. G. S. Adams, and Mr. C. S. Orwin, which was submitted to His Majesty's Government on May 7, 1924.)*

172. A further method which is found in all the principal agricultural countries abroad is that of co-operative organization. Co-operation has taken many forms and has developed in different ways in different countries. Certain features are more marked in one country than in another, and national individuality is reflected in the nature of co-operative development. The striking fact, however, is the universality of the movement and its phenomenal growth within a comparatively short period of time. It is true that there were a few early types of agricultural co-operation, but it was not until the middle of the 19th century that the modern movement had its beginnings in North Western Europe, and it is in an even later period, since 1880, that its amazing progress, not only in Europe, but all over the world, has taken place. The twentieth century has seen not only extensive development but also the intensive organization which has followed, and the linking up of the various parts of co-operative effort into a comprehensive system.

173. A general characteristic of this movement which deserves attention is that there has been in its origin, and retained throughout its growth, an idealism which has given to it more than an economic impulse. In some of its most notable manifestations it has been closely associated with religious ideals, while in other instances it has been linked with aims of social reconstruction. Thus, in Denmark, the movement was associated with a strong moral educational revival and with a patriotic feeling for the reclamation and development of the Danish land. In Germany, Raiffeisen, with the principles of unlimited liability and with the stress on the importance of character as the basis of credit, laid the foundation of his famous system of Agricultural Co-operative Credit Banks and Supply Associations. In Belgium, the Boerenbond, so widespread and strong in its system of Co-operative Societies, has a basis of religious and social culture. These instances would be paralleled from other countries and witness to the wide human outlook which has marked the vision of the pioneers of rural co-operation. It is well to note that in many cases it has risen out of circumstances of distress and the realisation of a deep need for the reorganization of agricultural and rural life. It was so in Denmark; it was the case, in a different way, in Germany, where the movement had its origin in the need for delivering the peasants from the

grip of the village moneylenders. Yet, in part at least, the impulse which awakened thought in many European countries came from earlier co-operative movements, especially the effort of the Rochdale Pioneers. The contrast to-day is, because of this, the more striking when we compare the backwardness of agricultural co-operation in England with its progress in other countries.

174. Further, the movement has been essentially, in its origin, a voluntary or self-help movement. State aid has, in later years, played a part, but it has been an auxiliary and a subordinate part. In many cases the State has only come in to help after success was assured, as in Denmark, where, even to-day, the assistance given by the State is relatively very limited, and in Germany where, despite the great tradition of State functions, the remarkable fact has been the very carefully limited sphere of State action and the healthy self-reliant character of the movement. So it has been also in Belgium, in Holland and in Italy. On the other hand, in more recent years, in countries where co-operation had made little progress and where the agricultural industry was suffering from the lack of this aid, the State has frequently given active support to the movement and even helped to initiate it. One of the most important, perhaps the most interesting, case in this respect is that of the United States where, in recent years, first, by commissions of enquiry, and later, by a very large financial provision for the assistance of agricultural credit and by special attention on the part of the Federal and State Departments of Agriculture to the co-operative marketing of farm produce, the State has actively assisted the development of co-operation. Even here, however, the early growth was the outcome of voluntary effort, and success has depended and will continue to depend on the vigour of the spirit of self-help.

175. Nothing stands out more markedly in a comparison of British and foreign agriculture than the backwardness of co-operation in this country. Rapid strides have been made and are being made in the British Overseas Dominions, but in England, Scotland and Wales headway has been relatively slow. It is true that in distant countries, relying on export to foreign market, a special incentive is upon the farmer to co-operate, but this will not account for the backwardness of England. Denmark had this incentive, Germany and Belgium did not, yet these have had a progress in agricultural co-operation as remarkable in their own way as that of Denmark. In Germany, agricultural produce, during the period of co-operative development, has also been protected against foreign imports by substantial tariffs. Everywhere co-operation, in one form or another, has been recognised as a better way of economic organization, and England has undoubtedly suffered by not having a system comparable in its economy and efficiency with that of foreign countries.

176. Sir Horace Plunkett is right, not only in his formula of "better farming, better business, better living," but in pointing out that "better business" is the centre of the problem. It is on the better business side that the farmer can alone secure himself against being exploited by other more highly organized interests. There is plenty of room for research and education in the improvement of production and the reduction of

costs in agriculture ; but if there is not a system which enables the farmer to purchase economically and to manufacture, grade and dispose of his produce to the consumer with as few intermediate charges as possible, the industry lacks an essential condition of security. Similarly, better living requires the basis of economic security. By better living is meant better community organization in education, in public health, in recreation, and in other ways which affect the attractiveness and contentment of country life. The co-operative movement, by creating an association of farmers for common or mutual interests, accustoms them to join together for other purposes, and if this element of economic co-operation is lacking or backward, it is true to say that both "better farming" and "better living" suffer.

177. It is widely known that the chief agricultural countries of Europe have for many years been developing a very efficient co-operative organization for the purchase of requirements and marketing of produce, and that this system has been greatly assisted by the growth of rural co-operative credit and co-operative insurance. It is not so widely realised that agricultural co-operation has spread with great rapidity into practically every country, under very different conditions. The great advance of the movement in the Far East, in India and Japan, its rapid extension in Russia and in the countries of Eastern Europe, its development in the French Colonial possessions and in some of our own Crown Colonies, are evidence of its widespread character. But much more important to the British farmer is the progress which has been made within recent years in the overseas British Dominions, in the United States of America and, more recently, in the South American States, because it is with these countries that the home producer has to reckon more and more in the future.

178. Again, the organisation of the farming community on co-operative principles makes it far more possible for the voice of the primary producers to be heard and their interests to be directly represented ; while, for the producers themselves, it provides a group formation through which information of market requirements and methods of improving crops and stock can be readily disseminated. State assistance to agriculture is more effective and economical where the agricultural community is co-operatively organised than where it remains in a condition of dominant individualism ; and, if for no other reason, the State would be justified in assisting the growth of agricultural co-operation, by which it will be enabled the more effectively to promote its educational and other services. We do not hesitate to state that the comparative failure as yet to achieve a widespread co-operative system is one of the contributing causes of the depression of British agriculture, and that so long as the agriculture of this country fails to develop such an organization as can serve it as other countries have been served, it will continue to suffer from a very serious handicap. Furthermore, it will be unable to secure from the community the assistance which it might otherwise be able to get, for it is a not uncommon or unreasonable opinion that the farmers must show that they are doing what agriculturists abroad have done to help themselves before they are entitled to the assistance which economically and justifiably the State can give.

179. Nor should the fact be overlooked that during nearly a quarter of a century and to an increasing extent since 1910 the British Government has been endeavouring to aid the farmers in the development of a co-operative system. The results, as compared with other countries, have been disappointing. Failure has been due to various causes. Existing societies have often lacked the competent and trained management which has so largely contributed to Danish and German co-operative success ; and those who have, with great public spirit, given time and money to help forward the movement, are the first to recognise the mistakes which have been made. In the present agricultural depression, agricultural co-operation has not been strong enough to help the farmer materially, and there has been no co-operative credit organization to assist it. Yet there are also very hopeful signs. To-day, the mind of the farming community is much more alive to the importance of organization ; while the evidence of what has been done successfully both by purchase and by supply societies in England and in Scotland, and the efforts which are being made to establish new societies, are reasons for hoping that co-operation is getting a firmer hold and is on the eve of a much greater development than has been hitherto seen in this country.

180. The beneficence of this principle applied to agriculture can indeed only be realised by the personal experience of the social and educational as well as the economic effects of the movement. A study of co-operation as it is extending to-day in other countries, reveals possibilities of great significance. There is the beginning of developments which are international in their importance, and relationships such as could only exist between groups of different countries organised on common principles and with kindred ideals.

181. The co-operators from the British Dominions, where progress has been so marked in recent years, have felt the weakness of British agriculture when they have endeavoured to secure good mutual relations and to avoid as far as possible the conflict between primary agricultural producers throughout the Empire. But this applies also in the wider field of world agricultural production. British agriculture stands to gain internationally from a great extension of co-operative methods within itself.

182. The significance therefore of the co-operative movement in agriculture is very great ; and its progress abroad is one of the most hopeful features in modern agriculture. Development in the years since the war shows a vigour and power of growth which even exceeds anything in previous years. The international character of the movement is already recognised in the Annual International Co-operative Congresses, while the work of the Institute of Agriculture at Rome has done much to spread information as to the growth of agricultural co-operation and to direct attention to the mutual interests of agriculturalists throughout the world.

183. We may briefly direct attention to the main types of agricultural co-operative organization and to the more notable features which have marked the growth of the co-operative system in foreign countries and in the British Dominions. There are three main groups of co-operative societies :—

(1) Supply societies, purchasing farmers' requirements—a field of co-operative enterprise which might have been expected to develop vigorously in this country on lines analogous to the development of the urban Co-operative Distributive Societies.

(2) Market and Sale Societies, including societies for the preparation and manufacture of farmers' produce for sale. This is a very large and varied group including :—

- (a) Creameries and cheese factories.
- (b) Bacon factories.
- (c) Poultry and egg grading and packing societies.
- (d) Fruit, vegetable and other like societies for grading, marketing and sale of crops.
- (e) Co-operative livestock sale societies.

In this group the main functions are standardizing and grading of produce, securing the economy of bulk consignments, and informing producers as to the requirements of the markets.

(3) Credit and Insurance Societies.

- (a) Credit Societies. These form a very large group and may be said to provide the central function of co-operation, for no problem is greater or more common throughout agricultural countries than that of the provision of credit under conditions which are specially suited to the needs of the agricultural industry.
- (b) Insurance Societies. In most countries the most important of these societies are the Live Stock Insurance Societies ; but insurance against fire, hail and other risks are also provided for on co-operative methods.

184. The credit for leadership in agricultural co-operation falls mainly to two countries, Denmark and Germany, which have been strikingly distinctive in their co-operative history. In Denmark the co-operative movement has been most successful in the organisation of societies for the preparation, grading and marketing of produce. The fact that Denmark is a great exporting country accounts largely for this development. Co-operative dairy societies, bacon factories and egg societies are thus the most notable group in Denmark. But supply societies have also been largely created, and the Danish farmer to-day, through the agency of a supply society, on the one hand, which secures him his requirements, and, on the other hand, through the agency of his selling societies, is able to concentrate his work upon the proper function of cultivating his land and caring for his live-stock. It should be noted that in Denmark organization has proceeded by creating single-purpose societies rather than by general co-operative societies to undertake different functions. The result is that a Danish farmer belongs, as a rule, to several co-operative societies.

185. Credit in Denmark has had a less striking development co-operatively than in many other countries, but this has been due to the fact that the co-operative societies have been able to obtain credit from the ordinary banks and that the rural Savings Banks have also supplied

the capital which the agricultural industry needed ; while the State has, through provision for land mortgage credit, given to Danish agriculture a very effective system of long term credit. It is worth while noting the fact that it was not until 1882 that the first successful co-operative creamery was established in Denmark, and while there were various co-operative developments, particularly in respect of supply societies, before that date, the great reconstruction movement in Danish agriculture dates from the period when European agriculture was entering on its most severe period of depression. In considering the rapid extension of co-operative methods in Danish rural life, account must always be taken of the influence of the Danish People's High Schools, which have been centres inspired by and inspiring the co-operative spirit.

186. In Germany, the outstanding feature in co-operative development has been the central position held by the organization of co-operative credit. This is strikingly indicated by the figures of rural co-operative societies in Germany.

187. On the 1st June, 1922, the total number of agricultural co-operative societies in Germany was 36,235, of which 34,364 were grouped in federations, 23,235 belonging to the National Federation of the German Agricultural Societies, 7,778 belonging to the General Federation of the German Co-operative Societies of the Raiffeisen type, the remainder being distributed between eleven other federations. During the year 1921-22, 3,147 societies were formed and 556 dissolved, the net increase being 2,591 societies—an indication of the vigour with which co-operative growth is still proceeding.

188. By far the largest number of these societies consists of rural banks, which, in June, 1922, reached 19,269, and it may be said that the country is now covered with a network of these banks. The figures indicate the remarkable position of agricultural credit, and it has been the example of Germany more than of any other country which has extended and shaped the growth of rural credit in other countries. But while the credit societies are the outstanding feature of German co-operative development, there has also been a steady growth of co-operative societies for production and sale, which in June, 1922, numbered 4,478. Among these, the largest group is that of the co-operative dairy societies, which numbered 3,398. It should be borne in mind that, in Germany, the societies for purchase and sale and many of the credit societies are also—unlike Danish practice—supply societies. Recently steps have been taken to strengthen direct relations between the producers' and consumers' co-operative societies through the establishment in 1922 of a joint economic committee.

189. Among other groups the most notable development is the growth in the number of co-operative societies for the supply of electric power, which in June, 1922, numbered 4,873, an increase during the year of no less than 1,425 societies.

190. The co-operative societies in Germany have maintained remarkable stability and strength through the very difficult economic conditions during and after the war, and there has, in fact, been a marked post-war development.

191. In Holland and Belgium co-operation has made great headway in the last quarter of a century, but in both the development was later than in either Germany or Denmark, and was largely stimulated by their example. The movement has, however, in Holland and still more in Belgium, been associated with religious organizations, and the Catholic Church especially has given very active support. In Holland, co-operation has made considerable progress in connection with the dairy industry, the first co-operative creamery being founded in 1886. Already by 1895 over 200 co-operative dairies or creameries had been established, and by 1920 the number had risen to over 700. Among the sale societies established in Holland, particularly interesting is the growth of co-operative Dutch Auction Societies for the sale of fruit and vegetable produce. Including supply societies, there are over 2,000 agricultural co-operative societies for purchase and sale, apart from those dealing with credit and insurance. Insurance, especially livestock insurance, has extended considerably in Holland, but reinsurance has not developed to the extent it has in France or Germany. For the purpose of agricultural credit approximately 1,200 societies have been established, mainly during the present century. These societies are in large measure associated either with the Central Bank of Eindhoven (Boerenleenbank), which is on a definite Catholic basis and was created in 1898, or with the Central Raiffeisen Bank of Utrecht, which dates from the following year, and is of an undenominational character. Co-operative credit is financed through Central Banks largely from the deposits of the individual members of the affiliated societies.

192. In Belgium the co-operative movement has owed its organisation and progress to the Peasants' League or Boerenbond, which was founded in 1890 at Louvain, but it was not until 1895 that notable progress was made. In that year the Central Credit Bank of the Bond at Louvain was established and the same year saw also the rise of the Cattle Insurance Society. The insurance of livestock has been hitherto better organised in Belgium than in Holland. In West Flanders insurance of cattle against certain risks is compulsory, a system of State compensation being provided in connection with the scheme of livestock insurance. Re-insurance is also stronger in Belgium than in Holland.

193. No less noteworthy in the study of co-operative organization are the developments which have taken place in France. The first important landmark in French agricultural co-operation was the passing of the Act of 1884 which provided the legal basis for the remarkable system of Syndicats Agricoles, which have been built up since that date throughout France. There are three features of French co-operative history which are specially worthy of attention, viz. :—

- (1) The Syndicats Agricoles.
- (2) The development of agricultural credit through the Caisses Locales and Caisses Régionales.
- (3) The insurance, and especially the live-stock insurance societies and the provision of re-insurance.



194. The Syndicats Agricoles, or agricultural guilds, represent a distinctive type of agricultural organisation. They are local unions of agriculturists—and this in France means largely the small farmers—which combine the functions of a co-operative organization, of a friendly society, and of an educational social association. The growth of these syndicats has been remarkable. In 1912, when over 2,300 syndicats were affiliated to the Central Unions, it was calculated that more than a million families of cultivators of the soil were thus associated. By 1916 the number of syndicats had risen to 4,000. These unions or guilds serve as co-operative societies for the purchase of requisites, such as seeds and manures, and to a less extent, for the sale of produce. They have also, to an increasing extent, helped members to purchase the more expensive machinery, such as threshing machinery. In the diffusion of agricultural education they have played an important part; and, through groups of syndicats, have especially assisted the organisation of experiments and research with the aid of the Departmental Professors of Agriculture. There are other functions, more of the nature of a friendly society, discharged by the syndicats, and undoubtedly their growth is one of the most important social developments in the rural life of France. In addition to these educational and social services the syndicats have had much to do with the extension of agricultural credit and co-operative insurance.

195. In France co-operative credit, as in Germany, was started spontaneously by the agricultural community, though the State has had, at a later stage, an important part, and in some respects has even seemed to threaten the self-reliance of the movement. The result, however, of voluntary and State action has been the building up of an extensive and methodised system of rural credit. Apart from the credit banks established without State aid, the *Caisses Locales*, created under the State scheme, can only be formed by members of syndicats, and the *Caisses Régionales* were often set up by the Union of Syndicats in each county or department. Agricultural credit is to-day recognised as requiring its own special institutions, but it remains closely linked with the system of the Syndicats.

196. An important series of Acts has facilitated the growth of the credit system. In 1894 the Legislature passed a law sanctioning the formation of credit societies for furthering agricultural production. This was followed in 1895 by a law which authorised the Savings Banks to devote a fifth of their capital and the whole of their income to financing the *Caisses Locales*. In 1897 the Charter of the Bank of France was renewed on the condition that it advanced a sum of 40,000,000 francs for the assistance of agricultural credit, while additional funds were made available by an annual share in the profits of the Bank of France. In 1899 the *Caisses Régionales* were established. The co-operative credit system thus not only provides short term credit for the individual members of the syndicats, but is also available for productive enterprises undertaken by co-operative associations such as creameries. In 1910 the Legislature further extended agricultural credit so that long term advances might be made to individuals for the improvement and acquisition of small agricultural holdings. Thus there is a very complete provision of agricultural

credit largely supported out of State funds. The system is a direct form of subsidy to agriculture, inasmuch as the State supplies the money to the Regional Banks at 2 per cent., and the member of the co-operative society gets his advance as a rule at 4 per cent. The criticism which is directed against the French credit system is that it has not sufficiently called out and based itself upon local deposits.

197. The third feature of special interest in France is the development of agricultural co-operative societies for insurance, especially livestock insurance, and of the system of re-insurance. The value of these societies is not simply in the security which they give to the farmer against loss, but is evident also in the provision which they make for the proper care of stock and in the information which they obtain as to the incidence of disease. The local societies can reinsure their losses with a provincial co-operative society; and provision is made for re-insurance, particularly against epidemics, by a central co-operative insurance society.

198. Apart from European countries, a brief reference must be made to the remarkable extension which has taken place, especially in the period since the war, in the United States of America. There have been from time to time co-operative movements in the United States, but nothing so remarkable as that which has taken place in the past three years. Co-operative growth has been greatly helped by the services of the county agents, who correspond to our county agricultural organisers, and who have taken an active part in the formation of societies.

199. Closely connected with the progress of the co-operative organizations, particularly for production and marketing, has been the very great extension of credit facilities by the Federal Government. The Federal Farm Loan Act of 1916 has led to the establishment of the Federal Land Banks, which advance funds to groups of farmers in Farm Loan associations, while at the same time the Farm Loan Board, under the Act of 1916, makes advances to the Joint Stock Land Banks, which deal, not simply with associations of farmers, but with the individual farmer. Very large sums have thus been advanced to the agricultural community and it is recognised that this action of making credit available has been a most effective aid to the farmers during the depression, and has helped forward the organization of the industry, particularly on co-operative lines. Modifications are being made in the framework of the Federal Farm Loan Board, and part of the existing organization is intended to act as emergency machinery, but the foundations have been laid of a great national system of agricultural credit differing widely in character from the agricultural credit of Europe in its use of the existing banking system, and in providing supplementary machinery to secure that the farming industry is adequately financed.

200. In reviewing the position in this country in the light of foreign experience we venture to offer the following considerations and recommendations. First, as regards the relation of the State to agricultural co-operation, we consider that the State should continue to give assistance to this form of organization. We have pointed out that this country is more backward than most other States in its co-operative system. The

State is concerned that the industry should be properly organized so that its own services should be effective ; and on this ground alone the State, in our opinion, would be justified in actively supporting the movement. We hope that the Minister of Agriculture will continue to use his efforts to bring together the representatives of the Farmers' Union, the Chambers of Agriculture, and any other bodies which are specially interested in the better organization of agriculture, and will secure, by consultation with them, an agreement as to the channels through which the State can assist in the formation of farmers' associations for the purchase of requirements, the preparation, grading and marketing of produce, and the development of facilities for credit and insurance. We would direct special attention to the importance of propaganda and organization as regards the grading and marketing of produce. The work which is being done, especially in the United States and in other countries, by Government Departments and State officers is rapidly placing the produce of these countries on a higher average level of standardisation and making competition with our less carefully graded and organized home produce a very serious matter for the agricultural industry. This problem touches closely the problem of agricultural credit.

201. Apart from the importance of organization generally to the agricultural community, there is a special need for assistance to small-holders. It is recognised that a small holdings movement requires for its stability a full use of co-operation.

202. We are in favour of the State availing itself, as far as possible, of the services of voluntary organizations, so that the self-help spirit which is essential to the success of the co-operative movement should be encouraged. The aim should be to make the movement self-supporting within a term of years, but we do not consider that it is yet sufficiently established or is likely to make by itself such headway as to justify the State in withdrawing its support at the present time.

## *Appendix C.*

### QUEENSLAND CO-OPERATIVE ACT

AN ACT TO PROMOTE THE AGRICULTURAL AND RURAL INDUSTRIES BY THE ORGANISATION OF THE PRIMARY PRODUCERS OF QUEENSLAND IN A COMPLETELY UNIFIED NATIONAL ORGANISATION, AND FOR OTHER INCIDENTAL PURPOSES.

(*Assented to 15th August, 1922.*)

Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Assembly of Queensland in Parliament assembled, and by the authority of the same, as follows :—

1. This Act may be cited as "*The Primary Producers' Organisation Act of 1922.*"

2. In this Act, unless the context otherwise indicates, the following terms have the meanings set against them respectively, that is to say :—

"Association"—The Queensland Producers' Association established under this Act ;

"Council"—The Council of Agriculture constituted under this Act ;

"Department"—The Department of Agriculture and Stock ;

"District Council"—A district council of agriculture constituted under this Act ;

"Fund"—The Queensland Producers' Association Fund established pursuant to this Act ;

"Local association"—A local producers' association constituted under this Act ;

"Minister"—The Secretary for Agriculture and Stock or other Minister of the Crown charged for the time being with the administration of this Act ;

"Primary producer"—Every person, not being a person engaged in primary production as an employee on wages or piecework rates, engaged in the occupation of—

(a) Dairy farmer ; or

(b) Wheat maize or cereal grower ; or

(c) Cane-grower ; or

(d) Fruit-grower ; or

(e) Grazier ; or

(f) Farmer, whether engaged in general or mixed farming, cotton potato or vegetable growing, or poultry or pig raising ; and . . .

any class of persons, not being persons engaged in primary production as employees on wages or piecework rates, declared by the Governor in Council, on the recommendation of the

Council, by Order in Council, to be primary producers for the purposes of this Act ; and " primary produce " and " primary production " have correlative meanings ;

" Prescribed "—Prescribed by this Act ;

" This Act "—This Act and all Orders in Council Regulations and By-laws made thereunder.

3. (1) There shall be established in manner hereinafter provided an organisation of primary producers called " The Queensland Producers' Association," having the functions, powers, authorities, duties, and responsibilities hereinafter set forth.

(2) The Association shall consist of—

(a) The Council of Agriculture ; and

(b) The district councils of agriculture ; and

(c) The local producers' associations,

constituted in the manner and having the functions, powers, authorities, duties, and responsibilities hereinafter set forth.

4. (1) The constitution of the Council of Agriculture shall be as follows :—

(a) The number of members of the Council shall be the number from time to time declared by the Governor in Council by Order in Council, but shall not exceed twenty-five at any one time.

(b) Not less than five members nor more than one-fourth of the total number of members shall be appointed by the Governor in Council as the representatives of the Government.

The Minister shall by virtue of his office be a member of the Council and shall be deemed to have been appointed by the Governor in Council as one of the said representatives of the Government.

(c) The remaining members, of whom there shall be not less than fifteen, shall be elected by the district councils.

Each district council shall elect one member in the prescribed manner to be the representative of such district council.

(d) All such representatives (other than the Minister) shall hold office only for a term declared by the Governor in Council by Order in Council, but not exceeding three years, and shall be eligible for re-appointment or re-election, as the case may be.

(e) Any person who has his affairs under liquidation, or is an uncertificated or undischarged insolvent, or has been convicted of an indictable offence, or is undergoing a sentence of imprisonment, or becomes an insane person, shall be disqualified from being appointed or elected or from continuing a member of the Council.

(2) The Minister shall be the President of the Council.

(3) There shall be a Vice-President of the Council appointed by the Council in the prescribed manner.

(4) In the absence of the President, or in the event of a vacancy in the office of President, the Vice-President shall preside at the Council and shall during such absence or vacancy have and exercise the duties and functions of the President.

(5) In the absence of the President and Vice-President from any meeting the Council shall elect a member of the Council to act as President for the meeting.

(6) During any vacancy in the office of any member of the Council the continuing members of the Council shall act as if no such vacancy existed.

Any vacancy in the Council shall be filled as it occurs by the appointment or election of another member as follows :—

- (a) In the case of a Government representative, by the appointment of another member by the Governor in Council ;
- (b) In the case of a representative of a district council, by the election of another representative in the prescribed manner.

The representative appointed or elected to fill a vacancy shall hold office for the balance of the period for which his predecessor would have held office had no vacancy arisen.

(7) Subject to this Act a majority of members of the Council shall constitute a quorum at any meeting of the Council.

(8) The office of member of the Council shall be vacated—

- (a) If he is or has become disqualified under this Act ; or
- (b) If without leave obtained from the Council in that behalf he has been absent from all meetings of the Council held during a consecutive period of three months ; or
- (c) Upon death or resignation.

5. (1) The Governor in Council—

- (i.) Upon the recommendation of the Council may from time to time appoint an officer to be called the Director of the Queensland Producers' Association, upon such terms and at such salary as the Governor in Council may on the like recommendation determine ; and

- (ii.) May at any time, upon the recommendation of the Council, suspend or dismiss the Director from his office for incapacity, incompetence, or misbehaviour.

(2) The Director shall have such powers and duties as are assigned to him from time to time by the Council. He shall not accept or hold any paid employment outside the duties of his office as such Director, or be a director of a company.

(3) The Council may, from time to time, appoint or employ a secretary of the Council and such organising instructors, experts, and other officers as may be necessary for the effective administration of this Act and with such salaries, wages, and allowances as may be determined by the Council.

(4) The salaries, wages, or allowances of the Director and any other officer appointed under or for the purposes of this Act shall be paid out of the Fund, but subject always to any directions in that behalf given by the Governor in Council on the recommendation of the Public Service Commissioner in cases where it is deemed proper that a proportionate part of any such salaries, wages, or allowances should be paid out of the Consolidated Revenue.

6. The functions and objects of the Council shall be to co-operate with the Department, district councils, local associations, and other bodies and persons in—

- (i.) Developing the rural industries ;
- (ii.) Effecting the stabilisation of prices of primary produce for the purpose of ensuring to the primary producer a fair remuneration for his labour ;
- (iii.) Investigating and dealing with problems relating to the rural industries including animal husbandry ;
- (iv.) Advising and instructing primary producers with regard to matters which require scientific knowledge and training, farm management and farm economics, including cost of production and farm accountancy ;
- (v.) Making research on subjects pertaining to the rural industries ;
- (vi.) Securing effective action for the controlling of diseases and pests generally ;
- (vii.) Securing additional markets for the disposal of produce and improved means of distribution ;
- (viii.) Studying markets ; accumulating data regarding marketing processes and costs ; disseminating accurate market information ; and eliminating waste and unnecessary marketing expenses ;
- (ix.) Securing improved means of storage, handling, and transport ;
- (x.) Promoting a general policy of testing, standardising, and grading ;
- (xi.) Extending the usefulness of the professional staff of the Department by the utilisation of experts, the dissemination of literature and pamphlets dealing with matters of interest to primary producers, and by any other method which the Council thinks fit, including the establishment of a Bureau of Information for primary producers ;
- (xii.) Encouraging and assisting in the promotion of farmers' co-operative associations and enterprises ;
- (xiii.) Bettering the conditions of rural life and the extending rural education by co-operation with the educational authorities of the State and generally ;
- (xiv.) Dealing with matters in relation to agriculture and production of primary produce which may be referred to the Council by the Minister ;
- (xv.) Generally advising, assisting, and co-operating with the Department and the Association in all matters pertaining to the rural industries ; where deemed necessary, convening conferences ;
- (xvi.) Making research on the subject of the utilisation of rural products in manufactories ; co-ordinating and assisting in the promotion of such industries by the extension of the Bureau of Information, and, where necessary, convening conferences for this purpose.

7. (1) For the purposes of this Act, the Governor in Council may on the recommendation of the Council, from time to time, by Order in Council, constitute not less than fifteen areas within the State with defined boundaries to be known as Districts ; and may in like manner and on the like recommendation alter the boundaries of a District so constituted.

(2) For each such District there shall be constituted a district council, the members whereof shall from time to time be elected for a period not exceeding three years and in the prescribed manner by the members of the local producers' associations registered and assigned to such Districts as hereinafter provided.

(3) The duties and functions of a district council shall be—

- (i.) To secure co-operation as far as possible amongst the primary producers who are members of local associations assigned to the District ;
- (ii.) To advise and assist the Council in developing schemes in regard to the production, marketing, grading, and standardisation of primary produce, or for making more effective use of the experts and facilities of the Department ;
- (iii.) To advise and assist the Council in such matters as co-operation in the purchasing of machinery, fertilisers, and other articles employed in the production of primary produce, promotion of herd testing, fodder conservation, and the circulation among primary producers of information and advice on primary production generally ; and
- (iv.) Such other duties and functions as the Council may determine.

(4) The Council may from time to time make monetary grants from the Fund to each district council to assist in carrying out its objects, and may issue directions as to the manner in which such funds may be expended.

(5) The Council may, if satisfied that good cause exists for so doing, intervene in and give directions as to the conduct of all or any of the business of a district council, and all such directions shall be observed by the district council concerned.

8. (1) The Council shall, on application made in the prescribed form, register as a local producers' association any association of primary producers ; and assign such association to a District constituted under this Act.

(2) Such application shall be signed by not less than fifteen primary producers residing in such District.

(3) The Council may cancel the registration of any local association if the Council is satisfied that good cause exists for so doing, and thereupon the association shall cease to be a local association under this Act.

(4) Every primary producer shall be entitled to be enrolled in the prescribed manner as a member of a local association, but shall not be entitled to be enrolled as a member of two or more such associations.

(5) The duties and functions of local associations shall include—

- (i.) Taking the initiative in rural matters pertaining to the particular locality in which the association is primarily interested ;



- (ii.) Ascertaining the requirements of such locality and formulating schemes for having these requirements met ;
- (iii.) Bringing before the district council, through the association's representative, requirements and problems which are not of purely local concern but are of common interest and concern ;
- (iv.) Advising, supporting, and assisting the district council in its efforts to promote the general prosperity of the primary producers ;
- (v.) Generally co-operating with, advising, and assisting the district council in enabling it to discharge its duties and functions efficiently ;
- (vi.) Endeavouring to co-ordinate and correlate the work of the local associations, progress associations, and other like societies in the District, and to strengthen the work they are doing in so far as it relates to the rural industries.

9. The rules contained in the Schedule to this Act shall, as to all matters to which they extend, govern the proceedings and business of the Council, district councils, and local associations ; and they shall be observed.

Any of the provisions of the said Schedule may from time to time be altered or added to by the Governor in Council by Order in Council upon the commendation of the Council either generally or as regards the Council or all or any of the district councils or local associations, and the Schedule as so altered or added to shall thereupon become the Schedule to this Act.

10. The Council of Agriculture and every district council shall be a body corporate

The Council of Agriculture by that name, and each district council shall by the name of " The District Council of Agriculture for the District of [*name of district*] " have perpetual succession and an official seal which shall be judicially noticed.

The Council and each district council shall be capable in law of suing and being sued and shall have power to purchase, sell, exchange, lease, and hold land, goods, chattels, securities, and any other property whatsoever.

11. The Governor in Council, upon the recommendation of the Council, may appoint advisory boards, to advise the Council in respect to the general business of the Council, or in respect to any particular matters of investigation or research.

All expenses in connection with such boards shall be paid out of the Fund.

12., (1) There shall be established a Fund to be called " The Queensland Producers' Association Fund," which shall be charged with the payment of all expenses incurred by the Council in the execution of this Act and any such expenses of a district council approved by the Council.

(2) The Fund shall be administered by the Council and shall be audited from time to time by officers of the Department of the Auditor-General.

(3) All levies made by the Council as prescribed and all fines for non-payment thereof shall be paid into the Fund.

(4) The Governor in Council shall, during a period of five years from the date of the passing of this Act, make grants in aid of the Fund out of moneys appropriated by Parliament for that purpose, and every such grant shall be at a rate of not less than one pound for every one pound paid into the Fund during the twelve months preceding such grant in respect of all levies and fines imposed under this Act.

13. The provisional Council of Agriculture and the provisional district councils appointed by the Governor in Council in existence at the passing of this Act shall be deemed to have been constituted respectively as the Council of Agriculture and district councils under this Act, and the members thereof shall hold office until the appointment or election of a Council of Agriculture and the respective district councils in the manner prescribed, but in no case shall any member of the Council or any district council continue in office after the twenty-fourth day of March, one thousand nine hundred and twenty-three.

In the event of any vacancy occurring in such provisional Council of Agricultural or in any such provisional district council the Governor in Council may appoint a member to fill the vacancy ; such member shall hold office for the balance of the period for which his predecessor would have held office had no vacancy arisen.

14. (1) The Governor in Council, on the recommendation of the Council, may make such regulations providing for all or any purposes, whether general or to meet particular cases, as may be convenient for the administration of this Act, or as may be necessary or expedient to carry out the objects and purposes of this Act, and, where there may be in this Act no provision or no sufficient provision in respect of any matter or thing necessary or expedient to give effect to this Act, providing for and supplying such omission or insufficiency.

Without limiting the generality of the foregoing provisions, such regulations may provide for all or any of the following matters :—

- (i.) The fees, allowances, and travelling expenses which may be paid to members of the Council ;
- (ii.) Elections of members to the Council and the district councils, tenure of office of members of district councils, and filling of casual vacancies therein, enrolment of members of local associations, grouping if deemed necessary of local associations for the purpose of electing a member or members to any district council, conduct by post or otherwise of such elections, compilation and revision of rolls of primary producers entitled to vote at such elections, method of determining the qualification of voters, settlement of disputed elections or questions arising out of or in connection with any election ;
- (iii.) Appointment of standing committees of the Council or district councils, and prescribing their functions, powers, and authorities, the appointment of associate members on such standing committees without the right to vote ;

- (iv.) The exercise and discharge by the Council of all or any of the functions and duties of a district council in cases where the Council is satisfied that such district council is not duly exercising and discharging the same ;
- (v.) The control and management of the Fund ; empowering the Council or any district council to make levies on primary producers generally or in particular industries or sections of industries or in particular Districts or localities, and fixing the amounts of such levies, whether on the same or on different bases in respect of the different industries, operations, Districts, or localities ; providing, if deemed necessary, for the expenditure of the sums raised by any particular levies only in the interests of the particular industry or section of industry or District or locality upon the primary producers in which such levies were made ; providing methods of recovery or collection of any such levies, including the recovery or collection of such levies from persons holding moneys to the credit of the primary producers liable to pay such levies ; imposing fines not exceeding twenty pounds for non-payment of such levies or moneys by primary producers or persons holding moneys to the credit of primary producers : Provided that before any levy is made on the primary producers in any industry, at the request in writing of at least one hundred primary producers in that industry, a poll of such primary producers shall be held as prescribed, and if upon such poll the majority of votes is against the making of such levy, no such levy shall be made upon the primary producers in that industry.
- (vi.) Prescribing forms of returns and of statistics to be made and furnished to the Council, or any district council, and the contents thereof and the persons (whether primary producers or not) by whom the same shall be made and the time and mode of making and furnishing the same.

(2) The regulations may fix a penalty, not exceeding in any case fifty pounds, for any breach thereof.

(3) All such regulations shall be published in the *Gazette*, and thereupon, subject to subsection four hereof, shall be of the same effect as if they were enacted in this Act.

(4) Such regulations shall be laid before the Legislative Assembly within fourteen sitting days after such publication, if Parliament is in session, and if not then within fourteen sitting days after the commencement of the next Session.

If the Legislative Assembly passes a resolution disallowing any such regulation, of which resolution notice has been given at any time within fourteen sitting days of the Assembly after such regulation has been laid before it, such regulation shall thereupon cease to have effect, but without prejudice to the validity of anything done in the meantime.

For the purpose of this section, the term "sitting days" shall mean days on which the House actually sits for the despatch of business :

Provided always that if such regulations are not duly laid before Parliament as hereinbefore prescribed they shall thereupon cease to have any force, effect, or operation whatsoever.

15. Every Order in Council made under this Act shall be published in the *Gazette*, and upon such publication shall have the same effect as if it were enacted in this Act, and shall be judicially noticed.

Any such Order in Council may be rescinded or amended by a subsequent Order in Council made under this Act.

16. The Director shall once in every year make a report to the Council, containing a summary of the work done and investigations made with statistical and other information during the preceding year ; such report shall be forwarded by the Council to the Minister and laid before Parliament.

*(In a later Act, dated 23rd November, 1923, making provision for the formation, registration, and management of Primary Producers' Co-operative Associations, is the following definition of the Objects of such Associations) :—*

#### OBJECTS.

6. (1) A primary producers' co-operative association may be formed for all or any of the following objects, that is to say :—

- (i.) To sell and dispose of the primary produce of its members in the most profitable manner, or to arrange for the carriage or transportation to markets or otherwise of such produce.
- (ii.) To make from time to time, with its members, contracts requiring members to sell, for any specified period of time, all or any specified part of their primary produce exclusively to or through the association.
- (iii.) To manufacture or treat the primary produce of its members, and to dispose of the produce so manufactured or treated, or partly manufactured or treated, in the most profitable manner.
- (iv.) To manufacture, purchase, or hire, or otherwise acquire on behalf of its members and to supply to its members or to work, use, or control on their behalf, agricultural and dairying implements and machinery, live stock, breeding stock, feeding stuffs, seeds, fruit trees, fertilisers, and other farming requisites.
- (v.) To provide by purchase, hire, construction, or otherwise storage and cold storage for the primary produce, and articles prepared or manufactured therefrom of its members.
- (vi.) To commence, acquire, and carry on supply stores under a co-operative system for disposing of and supplying primary produce and articles prepared or manufactured therefrom.
- (vii.) To commence and carry on orchard spraying or cleansing, fruit packing, ploughing, harvesting, and other farming operations for its members under a co-operative system.

- (viii.) To engage persons to carry out any of its objects, and to give instruction and advice to its members on farming operations.
- (ix.) To acquire and distribute information as to the best manner of carrying on farming operations profitably.
- (x.) To acquire and distribute information on the markets of the world and on co-operation generally.
- (xi.) To acquire by lease, purchase, or donation, and to hold and use, any property for the better carrying out of any of its objects.
- (xii.) To raise money on loan from the Governor in Council, the Treasurer, the Corporation of the Agricultural Bank, or any bank or financial institution or person, for any of its lawful objects, and for that purpose to mortgage or assign property of the association (including contracts with its members for the supply, marketing, or disposal of their primary produce and articles prepared or manufactured therefrom, or any other purpose).
- (xiii.) To become a member of any Primary Producers' Co-operative Federation formed under this Act.
- (xiv.) To carry out any other objects approved by the Governor in Council on the recommendation of the Council.
- (xv.) To do all such other things as are incidental or conducive to the successful attainment of any of its objects.

(2) All the foregoing objects and each of them shall be and be deemed to be a lawful object, notwithstanding that the giving effect thereto might otherwise be held to be in restraint of trade or detrimental to the interests of the association or its members or any of them, or of other persons, or unreasonable or unnecessary for the protection of any association or the members or any members thereof or any other persons.



*Conference on  
Agricultural Co-operation  
in the  
British Empire.*





## State Policy.

MORNING SESSION, MONDAY, JULY 28TH, 1924.

*Chairman* : The Rt. Hon. Noel Buxton, M.P. Minister of Agriculture.

*Subject* : "State Policy in respect of the Organisation of Agricultural Co-Operation."

THE CHAIRMAN: In opening the first session of this Conference I feel sure that I should be voicing the wishes of all delegates and others present in paying a brief tribute to Sir Horace Plunkett, to whose energy and devotion to the cause of Agricultural Co-operation this Conference is due. Sir Horace is the pioneer of the Agricultural Co-operative movement in English speaking countries. It is 35 years ago since he returned to Ireland from his ranch in America and determined to try and benefit his unhappy country by some economic method rather than by the more popular political devices. Since then he has devoted the whole of his energies to the improvement of the condition of Agriculture in Ireland and the improvement of the social life of the rural community, which is no less important. He realised that it was through the medium of co-operative enterprise that the prosperity of the small Irish farmers could be best increased and the moral and social standard of the people raised.

At the outset I would emphasize, what Sir Horace Plunkett has proved in Ireland, that co-operation is of value not only because it improves the economic position of farmers, but also for its moral and social influence. Co-operation substitutes *unity of interest* for *opposition of interest*, and this circumstance has its influence on the general tone of life. Social and economic intercourse is sweetened by mutual confidence, whereas it is embittered by mutual suspicion. Wolff, in "The Future of Agriculture," p. 481, describes the general social benefits of co-operation on the Raiffeisen plan. He describes how "it creates a desire and readiness to receive and assimilate instruction, technical and general, how it helps to raise the character of the people united by it, making for sobriety, strict honesty, good family life and good living generally."

In many respects agriculture is backward from the point of view of organisation when compared with other industries, with the result that those engaged in it often live needlessly laborious days and drab lives. This reacts on the industry itself, and if agriculture is to prosper I believe it is necessary to improve rural life generally. Something must be done to make agricultural pursuits sufficiently attractive to induce the most

desirable young men of our villages to remain on the land. To my mind co-operation is the best means of achieving this end, and I would ask you all to think of co-operation not only for its economic, but also for its educational and social aspects. Remember Sir Horace Plunkett's formula "Better farming, better business, better living." This should be the motto of all co-operators.

Before talking of the policy of the Government in this country in regard to co-operation, I would call your attention to the policy adopted by the State towards co-operation in other lands. In most countries the origin of State aid has not been a keen desire to assist co-operation for itself, but began with the idea of developing agriculture as the basic industry. The Governments of the various countries I have in mind were consumed with a strong wish to increase agricultural production, and they realised that co-operative enterprise provided a useful means of promoting that increase.

In Germany, Belgium, Denmark and Holland, to take some European examples where co-operation has been markedly successful, the policy of the respective Governments has been to evoke and supplement, but not to provide a substitute for, organised self-help. In general, State aid has played an auxiliary or subordinate part in the development of co-operation. Sometimes the State has only come in after the success of the movement has been assured, as in Denmark. On the other hand, in a few countries co-operation has largely grown through State assistance. In the United States, where the movement is of comparatively recent growth, State help has played a very important part through Commissions of Enquiry, the provision on a considerable scale of financial assistance for agricultural credit societies, and through the encouragement of co-operative marketing of farm produce. As an illustration, up to November, 1922, the War Finance Co-operation had advanced some 400,000,000 dollars for agricultural purposes, of which nearly a half went to co-operative marketing associations. Special laws have been passed dealing with the organisation and regulation of co-operative societies, such as the Capper-Volstead Marketing Law of 1922.

France is another country where State aid has been important. A series of laws has been passed to promote rural credit on co-operative principles through local regional banks, which are charged only 5 per cent. interest on their State loans. These credit societies provide short term loans for members of the Agricultural Syndicates, and for co-operative enterprises such as creameries. More recently long term loans have been granted for the acquisition and improvement of holdings.

In some of the Dominions specific State aid has been given to co-operation, notably in Canada, where the Provincial Governments in most cases have schemes for making loans to co-operative enterprises repayable over a period of years at moderate rates of interest. In Canada co-operation has especially developed on the marketing side, through societies for the sale of produce, rather than associations for the provision of credit or the purchase of farmers' requisites. There are numerous societies for the sale of grain and the erection of granaries and elevators, and in some provinces the State advances up to 80 per cent. or 85 per cent. of the cost of elevators, bacon factories, creameries or cold

storage plants. As a further means of encouragement some provinces remit taxation on co-operative societies either entirely or for a period of years after their establishment.

In Ireland the Co-operative movement has achieved a large amount of success and has done so largely without any substantial assistance from the State. During the earlier years of the movement, when Sir Horace Plunkett was at the head of the newly-formed Department of Agriculture and Technical Instruction, there was some collaboration between the educational side of that Department and the Irish A.O.S. When Sir Horace left the Department of Agriculture in 1907, the attitude of the Government towards the Irish Co-operative movement was much less friendly, and except for small grants from the Irish A.O.S., and the Irish Development Commission in recent years, the movement has had to fight its battles unaided.

Now turn to our own country. At first the Government took no cognisance of co-operation in agriculture. It commenced as a purely voluntary movement which the Agricultural Organisation Society started to organise in 1901, with, however, only partial success. Later in 1909 the State began to take an active interest in the movement, and until last year grants were made to the Agricultural Organisation Society to enable it to carry on its work of propaganda and organisation. Despite all the zeal and disinterested energy displayed by these pioneers, who well deserve the thanks of the community, their efforts have not had any lasting success. I am glad to see they are represented here to-day by Mr. Acland. It is true they have brought co-operation before the public eye, but there is still a vast field to cover. Probably the mistake has been in trying to impose co-operation from above, and the policy of the present Government is rather to stimulate and encourage the growth of the movement from below. The future success of the system seems, in the light of experience, to depend on the action taken by farmers for farmers. We look therefore to the farmers themselves to take the initial steps through their organisations, and it is fortunate that there is now in the National Farmers' Union a powerful organisation, independent of State support, which can speak for the general body of agriculturists and is in a position to supply the inspiration, knowledge, advice and experience, without which the economic combination of farmers can make little headway. Existing examples of co-operation in this country amply justify further efforts to promote this form of organisation.

The Leicester Farmers, Ltd., on the formation of the Society obtained for members an increase of 15 per cent., that is 1d. per gallon, for their milk, although consumers pay the same. The Gloucester Farmers and County of York Societies achieved greater benefits in the milk trade for their members. One penny per gallon on the country's total consumption of milk of 600 million gallons would mean a gain of £3,500,000 for consumers or producers.

While withdrawing its active financial support from the propagandist side of the movement, leaving the initiative to farmers themselves, with whom as business men, it should properly lie, the State has elected to direct its efforts to the furtherance of agricultural co-operation by knitting principles to practice, and assisting groups of farmers who, con-

vinced of the advantage of co-operation and self-regulated action as applied to their particular branches of the industry, have voluntarily carried through the actual formation of co-operative societies.

Under the Agricultural Credits Act, 1923, for example, the State will advance to co-operative credit societies £1 for each £1 share taken up by members of the society, and of which 5s. in the £ has been paid up, which means that the State is prepared to advance, at current bank rate, now 4 per cent., to credit societies, four times the amount of paid-up capital which they themselves have found. Then again, with regard to societies for the purchase of farmers' requisites, it is possible under the provisions of the Agricultural Credits Act to form a credit society which might be housed in the same building and employ the same officers as the trading society and, in effect, become a credit department of the latter, thus enabling members to buy their requisites through the trading society on credit up to as long as five years. These are important aids. This scheme is particularly intended for small farmers.

It is, however, in the preparation, marketing and distribution of agricultural produce that the greatest possibilities await the co-operative movement. The series of reports published by the Linlithgow Committee last year afforded abundant evidence that all is not well with the distributive system. Farmers could ask for no better jumping-off ground than that which these Reports furnish. It is manifest that improved organisation on the selling side of the industry must, in the long run, lead to improved returns, whether as a result of the standardisation and grading of those commodities which lend themselves to these processes, or as a result of definitely invading the realm of the middleman and undertaking some, at least, of his distributive functions. The State is directly concerned to see that agricultural produce takes the shortest possible route from the farm to the home, and that the producer's share of the proceeds represents a reasonable proportion of the price which the consumer has to pay, and an adequate remuneration for the capital risks and labour involved.

The Government has, therefore, signified its intention of making loans to assist the development of agricultural co-operative enterprises engaged in the preparation and marketing of agricultural produce. The terms offered are very liberal and include loans up to a maximum of £10,000 per society free of interest for the first two years, with repayment over a long period. A sum of £200,000 has been provided by Parliament to make a beginning, and a Standing Advisory Committee of business men and persons interested in co-operation has been appointed to examine applications for loans and to make recommendations. The needs of large undertakings in this respect are met by guarantees under the Trade Facilities Acts.

Perhaps the most important side of the Government's policy is the investigation into marketing in all its phases which it is about to set on foot. For many years and to an ever-increasing extent the State has aided and encouraged research and education on the productive side of agriculture. This is of limited value and farmers will not take full advantage of such facilities unless they can market economically the increased productiveness which results. Now the Government proposes

to help the distributive side in the same way—by research and demonstration of approved systems. The field of investigation is vast. It has hardly been touched in this country at present. Although we have a good deal of knowledge of co-operation in other countries we have comparatively little information as to the needs of this country. We therefore require research and investigation of methods of co-operation adapted not only to British conditions, but also adapted to the outlook and psychology of the British farmer. With this end in view it is proposed to undertake a careful and intensive survey of the whole region of marketing and its kindred problems in the hope that the enquiries will show why the economic development of British agriculture has lagged behind that in other countries, although in industry, commerce and finance organisation in Great Britain is so highly developed.

The distributive co-operative movement has done much for the British working man. Our policy is to ascertain why a similar co-operative organisation of producers cannot be successfully established. No more fruitful work could be undertaken by the Government than this examination of marketing conditions, in the hope that it will lead to the discovery of methods which may enable British farmers to compete more equally with producers from overseas.

I hope the discussions of this Conference will be the means of throwing some light on the problems.

As a final word I would emphasize that it is the general policy of the Government to afford to the farmer all the help that Parliament will allow. Such help is limited by the extent to which farmers can and will help themselves through co-operative action. I would close with the words of the Agricultural Tribunal :

“ Farmers must show that they are doing what agriculturists abroad have done to help themselves before they are entitled to the assistance which economically and justifiably the State can give.”

SIR DANIEL HALL, K.C.B., F.R.S. (Ministry of Agriculture, and Chairman of the Horace Plunkett Foundation) : I am going to confine my remarks to an introduction to the question of the technique of co-operation, how the co-operative movement is to go to work and carry out its purposes ; because I think this discussion of technique is really the most important in this Conference. We are all agreed about the principle.

A great many people in this country are rather apt to turn round and scold the farmer because he has not taken up co-operation quite in accordance with their desires ; they say the British farmer is behind the farmers in other countries in this respect. Now for that there are very good and sufficient reasons. We must bear in mind these three facts : first of all that the typical British farmer is a capitalist upon a comparatively large scale. He is not the single-man or family-unit farmer which is found in the majority of countries, and for whom in a sense co-operation can do more, and can do that much more quickly, than it can for the comparatively large scale farmer we are dealing with, who himself is a fairly efficient economic unit.

Another reason is that we are not doing an export trade, and that itself is one considerable reason which makes co-operation much more difficult ;

the British farmer has got an alternative market. The third reason, and it is a very potent reason that we must face up to, is that the British farmer finds round about him an old, organised and efficient trade service both for sale and purchase. He is not working in a virgin field where the machinery of distribution and sale has got to be created.

Those are the reasons why in some respects our farmers have lagged behind in the development of co-operation. We cannot afford to go on doing so. The situation is getting too serious for the British farmer, in that he is faced by powerful commercial combinations which naturally in the order of their business like to handle large quantities of materials and to work on a wholesale scale. I will give you an example. Only the other day I heard that one of the great catering firms were making enquiries as to whether they could not have the whole of their vegetables and fruit supplied in a tinned state. They said it was such a nuisance to send people into the market every day to buy vegetables, and they would like to carry on the whole of their vast trade in vegetable products in this compact, easy packet form. Well, there are other people again who claim that the milk trade ought to be done in packets of dried milk over the grocers' counters. There is a steady pressure from the great organisations of our towns to reduce the trade in food into what you might call the packet form so that it can be handled on a large scale. What chance have our farmers to share in that kind of trade or to meet that kind of competition unless they have some corresponding combination on their side for selling in a large way to large people? This is the danger that is before the British farmer, that he may be gradually pushed off the market, not because his material is inferior, but merely because of the market organisation of his overseas competitors.

Now our particular subject to-day is to consider the relative position of the Government and of voluntary enterprises in regard to the promotion of co-operation. In this particular respect we unfortunately lack the guidance of Irish example which we had so markedly at our service with regard to the actual work of forming co-operative societies. It was unfortunate that soon after Sir Horace Plunkett had set on foot the co-operative movement in Ireland, unhappy political divisions prevented that combined action between the Department of Agriculture and the voluntary co-operative movement which might have become an example to us in this country. That combination did not take place, and so we have not had much exploration of the relative positions of the Government Department and the voluntary organisations. However, I will try to indicate the kind of points that we want discussed here. First of all, the matter of education. Now, here we have got to define, do we mean education in forming a co-operative society, or do we want education in the general principles of co-operation? As regards our educational organisations, the agricultural colleges and farm institutes, I cannot conceive that it will be other than a normal part of the course of instruction in agricultural economics to explain how a co-operative society is worked and the necessary conditions under which success can be achieved. That seems to be part of the normal instruction in the higher schools of agriculture. But when it is claimed, as it sometimes is, that in places like elementary schools there should be a regular propaganda set up telling

people they must co-operate, and that the only solution of the agricultural problem is co-operation, then I think the education people have a right to resist, and to say that this is a kind of controversial matter which it is not the function of the public school to carry out, using the term "public school" in its widest sense. The instruction in an educational establishment must be free from a propaganda bias either on one side or the other ; it must be scientific and impartial. Therefore, while in our educational movement we want to see the subject of co-operation developed as part of the economics of the subject, I do not want to see, in either the schools or the colleges, propaganda carried on which will say : " There is a moral force about co-operation which makes it part of your duty."

We pass almost insensibly from education to propaganda. Here again it does seem difficult for the State, for the Ministry of Agriculture in this country, to throw its officers into a campaign of propaganda, by which I mean the persuasion of people to co-operate. The best reason of all is that the State organisation would be one of the worst agencies for such a purpose ; if you want to carry out propaganda with success you must have that fervour of conviction and proselytising power which is rarely the characteristic of a Civil Servant. I would, as my own personal opinion goes, dismiss propaganda as one of the functions of the Government with regard to co-operation.

The Minister has already explained to you that the Ministry of Agriculture and the Government do consider credit to be an essential duty of the Government, whereby, it can do perhaps more for the co-operative movement than in any other way. While it is very generally conceded that the Government must come to the assistance of the farmer, especially of the small farmer, in all countries, by the provisions of better credit facilities, the point that our Government makes very strongly is that the credit facilities shall be given not to individuals but to co-operative associations. That is where the Governmental agencies are helping the co-operative movement, by insisting on co-operative organisation as the first step before the individual farmer can obtain credit from the State.

Now there are many other matters arising out of the provisions of credit for co-operative societies. There are some whole-hearted believers in co-operation who see almost the whole field of agricultural development growing through the co-operative society. They regard even education as likely to be best carried out by the co-operative societies and they would attach technical advisers to the societies rather than to the colleges. I would not go so far as that ; I think the co-operative societies must not claim to run the educational movement, but must content themselves with using it. On the other hand there are certain technical matters where the State is intimately concerned with giving advice. For instance, the giving of credit inevitably involves an audit ; the Government which lends the money must see that the money is being properly applied, and that the assets are being preserved. The introduction of Government audit in itself involves giving the society technical advice. I think the line of delimitation is to be found there ; that the Government must provide, through the co-operative movement, such technical advice, as governs one of its own actions. But when Co-operative Cream-

cries claim that they ought to be subsidised by the State to provide technical instruction in the handling of milk and in the making of butter and cheese, then I think they put up too high a claim. They had better associate themselves with the technical instruction service that the State has developed in another way, rather than claim that the instruction in butter making, handling of milk and so forth, should become a part of the co-operative movement. That is the line of delimitation which I think can be followed.

I have so far dealt only with the business side of farming, farming as better business, but there is a much larger aspect of co-operation, which has already been alluded to by the Minister this morning, and that is its effect upon the life and the social betterment of the community. With regard to that side of the work I rather doubt whether the State can play a very active part. I conceive that that work depends very much upon the enthusiasm of individuals and the spirit they create. While I agree entirely that co-operation will move as the conviction grows among farmers that to act together is the right thing, and will move more from that conviction than from a realisation of the material advantage that can immediately accrue from the formation of a society, I do not believe that the machinery of a great Government Department is precisely the best machinery for developing that spirit. I think in that respect we must trust to voluntary action outside the State, and it is in this direction the Horace Plunkett Foundation hopes to make for progress. Sir Horace has created this small Foundation, he has endowed it with extraordinary liberality, and the function of the Foundation is to stimulate and foster whatever movements are aiming at the improvement of the rural community, not merely from the business side, but especially from the vital social side of the betterment of the human being. Sir Horace has entrusted this Foundation with the duty of applying its funds, limited as they are, to the promotion of the spirit of fellowship wherever it can be found at work in rural life. Here I believe we have an example of the voluntary action which can put a soul into the co-operative movement.

THE HON. C. A. DUNNING (Prime Minister of Saskatchewan): It is not my intention to bore you at any length this morning, because I shall have to speak at some length to-morrow. There are a few things one might say at the beginning of a Conference like this, however, and first I desire to associate myself fully with the remarks of the Chairman with reference to Sir Horace Plunkett. I presume the other Dominions represented here have the same reason as we in Canada to appreciate the work that he has done, and the inspiration he has provided for those of us who are working along co-operative lines in the outposts of the Empire. I remember indeed very gratefully the assistance Sir Horace gave to me when some eleven years ago it became my duty to make certain investigations regarding agricultural credit in Europe, grain marketing and such like subjects. Through his influence and introductions so kindly given, sources of information became available to me which assisted very materially in producing good results back home.

I came to this Conference very glad indeed to respond to the invitation,



partly because of the appropriateness of the occasion for a meeting of those from all parts of the Empire interested in promoting agricultural co-operation. I am one of those who hope that out of the comparison of what we are doing in Canada, what others here are doing in Australia, what others are doing in New Zealand, in India, in Ireland, and in the old land to some extent, may come advantages for the cause of co-operation in all parts of the Empire.

There is another reason why I think that such a Conference is very appropriate at this time; we are passing through a reconstruction period following a great war. Conditions are practically the same with respect to agriculture following every great war. As an industry we are the last to feel the benefits of inflation, and the first to feel the defects of deflation. I do not know if my words apply to all parts of the Empire represented here, but I may say with reference to Canadian agriculture that while the prices of everything we produce have descended practically to pre-war levels, the prices of everything we have to purchase are still considerably above pre-war levels. That is the first of the economic problems in relation to agriculture which must be faced, because it is no use talking of contented rural homes, of a happy rural life, and keeping people on the land, if the men on the land cannot make sufficient material progress to give their families the opportunities which they might get in another vocation in life. The material side and the spiritual side are indissolubly linked. We cannot separate them. I cannot say to Saskatchewan farmers, "Boys, stay on the land, the rural life is the real life, it is the free life, it is a good life and the best life," if they see their fathers and themselves and their sisters toiling from daylight until dark and getting less in the way of the comforts of life than those engaged in other vocations. Is not that the problem the world over in agriculture? It is at least in our country. I can assure you.

Looking around for industrial solutions, there are of course many Utopian remedies proposed; but agriculture is different. It is really fundamentally different from other industries, and the remedies of combination which apply in other industries do not seem to have the same effect in solving our problems, partly because we are unable to pass along increased costs that are handed to us. We are at the bottom of the scale, somehow; we are the only people who when we go to buy anything ask "What is the price?" and when we go to sell anything ask the same question. We are the only people in the whole economic structure who have to at one time and the same time accept the other fellow's price for what they have to sell, and pay the other fellow's price for what they have to buy. That may be crudely expressed, but that at least is the experience of a number of years spent in agriculture and in some little effort to get over the difficulties thus created. It is useless to talk of a great combination of farmers to put a pistol to the head of everybody else. I suppose we are human like everyone else, and we would do it if we could, but we are constitutionally incapable of getting together in that manner; and even if we were I think probably some result might accrue as did in California in connection with the raisin combination. I do not know if everyone here has heard of it, but the raisin growers in California did get together and controlled the whole product in a mass

combination, and they did put up the price of raisins ; there is no doubt about that ; but then, as a man expressed it to me a year or two later, " Every durned fool in California went to raisin' raisins." I said, " What happened then ? " He replied, " Oh, next year we had a surplus of thirty million pounds of raisins." I said, " Then what did you do ? " " Well, you know," he said, " we tried advertising, national advertising, to get the people to eat more raisins—' have you had your iron to-day ? ' and so forth." " Well, did that succeed ? " " Well, yes, it did succeed somewhat." " But how did you finally get out of it ? " " We had to reduce the price."

There is a great economic lesson contained in that experience. We cannot combine as farmers to do what other classes do to us, so we must look, and have looked in all countries, in the direction of voluntary co-operation. A farmer must to an extent be an individualist. He is wrestling day by day with the forces of nature. He is partly a capitalist and partly a labourer ; but he must in the nature of things be an individualist to a very great extent. He can therefore only combine with his neighbours through the spirit of co-operation, mutual help, not only along business lines, but along social lines as well ; and perhaps it is natural that a pioneer country like Saskatchewan should have developed some rather unique experiments in co-operative effort along those lines. A new settler going out there depends to a very great extent upon his own energies, upon his own brain and his own brawn, but for those jobs which are too much for an individual he depends upon that splendid type of pioneer co-operation which is found in all the Dominions of the Empire. When a pioneer needs a house too much for one individual to build, a Bee is called. What is a Bee ? The finest example of voluntary co-operation that I know of is a Bee. Everybody gathers for a day to put up the walls of John Jones' house, and when Bill Smith wants a house everybody gathers there for a day and helps to put up the walls of Bill Smith's house ; and out of that splendid pioneer co-operative spirit grew the marketing developments of later years.

The farmer still remains an individualist ; that is to say, he may come in or he may stay out as he will. But unfortunately though these movements have grown, they have not by any means solved all our problems. There is no universal panacea. These movements have not done all we expected of them even ; but they are our best bid up to now.

My object in speaking this morning, without invading the subject which I have to deal with to-morrow, was to present to the Conference a Resolution of general policy for consideration. I presume that most of us here have a certain amount of knowledge and experience of co-operative undertakings in some part of the Empire. We have a certain knowledge of the good that can come from sane co-operation wisely and enthusiastically applied ; so at the commencement of a Conference such as this, when we all hope to learn something from each other, and something from each other's experience, it was thought well to attempt to lay down by resolution some general principles which all could readily agree upon, and which would provide a starting place for the Conference. I have therefore to move the following resolution :—

THAT a prosperous and progressive agriculture is essential to Empire well-being;

THAT agricultural prosperity depends fundamentally upon the fulfilment of three conditions;

1. The application of scientific knowledge under the guidance of the State to the farming industry;
2. The voluntary organisation of farmers for business purposes on co-operative lines;
3. A reconstruction of social life in the country with a view to removing the disparity between the respective attractions of town and country.

That is regarded as being a fair statement of the objects of this Conference, and I have very much pleasure in moving its adoption.

THE RT. HON. F. D. ACLAND, M.P. (Chairman, A.O.S., England): I think the Minister of Agriculture, Mr. Buxton, and Sir Daniel Hall and Mr. Dunning, have given us a most admirable lead in this subject. It will be difficult for me to keep up to the high standard they have set, particularly because this question before us this morning is not one on which I feel that I can speak with any certainty. For one who has been engaged more or less for twenty years in agricultural co-operation to feel that he is quite uncertain about a subject of this importance, perhaps shows the difficulty of the matter. In England we are just at the very point of a transition period from one idea of the position of the Government in this matter of agricultural co-operation, to another; we are coming to the end of the period during which for more than 20 years a private voluntary organisation, supported largely by subscriptions of those who were friends of better farming and better living, has been assisted part of the time at any rate, and during part of that time quite considerably, by Government grant. I cannot say that in England and Wales at any rate, and perhaps Scotland, the movement has done sufficiently well under the voluntary organisation directed largely by persons who were not themselves actively engaged in farming, combined with the Government help by means of money, to be able to say that that is the best way: neither have we yet got any sufficient experience of the prospects of the new organisation to which we are passing to be able to say that that is the best way.

There has been, as I review the last twenty years or so, a very great deal to be proud of in the formation of societies, even in England, where the co-operative movement seems on the surface to have done so little, and particularly if we take account of those points which Sir Daniel Hall so wisely pointed out to us at the beginning, namely the very different position of the English farmer to almost any other farmer in the matter of his marketing conditions. I think Sir Daniel might even have emphasized one point that he made when he said that we were a non-exporting country. He might have said not only were we a non-exporting country, and therefore had no impetus, or hardly any, towards standardisation on a big scale, which

every exporting country automatically must have, but we had also very highly organised markets almost at our doors. One of the most efficient men in the counsels of the National Farmers' Union, one of the wisest men in that movement and one of the best friends under limitations of agricultural co-operation, pointed out to me what was very true in considering co-operation in this country and comparing it with others. He took a map of Canada and he showed me, what of course we all know that for the great bulk of Canada the only hope of really efficient marketing is through co-operation. He said round some of their great cities, Ottawa, Montreal, Quebec and so on, the farmer had his market almost at his doors, and he told me what was no doubt true, that in those areas where the farmer had his market almost at his doors, co-operation was weak, whereas in the vast outside belt it was strong, and he said England is everywhere just like those particular areas of Canada, because it always has its markets quite close. But subject to those limitations and the difficulties that we have had here, I think a good deal has been done in the last twenty years. The two weaknesses I think have been these: that although the pioneers of the movement, and those who have mainly carried it on hitherto, put before their minds, largely owing to the inspiration of Sir Horace Plunkett, the ideal of better living as part of their work, and although I think they have done as much as they could in their different ways to promote that and to promote the trading side too, yet somehow or other they have been such busy men, so immersed in other things, so taken up, as unfortunately I am and many of my friends, with politics and other things, that we have not in this country thrown up a band of men who would work first of all from the standpoint of higher ideals, secondly to be able to give absolutely undivided attention to this movement, which after all deserves the undivided attention of any man who goes into it.

Then there is this—and it is quite another thing. The time when the State was willing to help most with its money, was the time when unfortunately the help given by that money could not be fully taken advantage of, and the possibilities of getting results from that money were at their worst. The time when the State was willing to give most was the time when the farmers also had most, during and after the war, when money was easy to come by. The farmers had plenty of money in their pockets—they are using that up now—and they said “we are so prosperous that we do not need to change our system and go in for co-operation.” State grants directly for purposes of propaganda or agricultural co-operative efforts, have been withdrawn in these harder times, and we are seeking a fresh means of marketing and a fresh policy. So the Agricultural Organisation Society is forced into the position of putting up its shutters because the amount of support which it gets from the co-operative societies is not sufficient to enable anything that could be properly called a truly national organisation to be maintained.

I agree very heartily with what Sir Daniel Hall and others have said, that if the organisation of co-operation in agriculture is to be a success, the impetus must really come from the farmers themselves, and therefore perhaps it is natural that the time when any other organisation should take the lead should pass away. At any rate we are full of hope

that the farmers' own organisation gradually may take this matter in hand in an active way. You cannot have everything all at once, but you have got this, if I read the mind of the National Farmers' Union aright: they are coming to the conclusion that there is more to be done by the economic organisation of farming than by political action. I think that is a very wholesome conclusion to have come to. They have made this clear, and I think it is quite proper and I do not grumble at it, that while they are willing gradually to come into the field, they do not wish to do so as long as any other body occupies any part of that field, and therefore my friends at the head of the Agricultural Organisation Society do not feel it would be right for us to continue to occupy the field if there is any reasonable and considerable prospect of its being occupied by a body formed by the farmers themselves and very strong and very active and very powerful in the matters which they really take in hand.

Then we have the State making a new start and trying to help in ways it has not hitherto done; and there also there is I think a good deal of hope. The Government is about to appoint marketing of produce officers who will not, I gather from Sir Daniel Hall, take part in the actual propaganda of forming societies, but will be trained men to give guidance to the movement as to the directions in which propaganda is most likely to succeed, and would also be of great use to the societies in giving them technical help and advice with regard to their own position. In my experience, the position to-day of the whole agricultural co-operative movement in this country would have been totally different if there had been a rule that every society must every two years submit itself to an expert inspection and report on its position and prospects, finances and so on. Societies too often send up a sort of S.O.S. signal only to find that things have gone so far that help is not of any avail. If the movement will learn from past failure to call in persons to advise them in time as to how they are getting on, I believe these Government officers can be of very great use.

To draw our discussion a little bit to a head I would express my fears about the future under three points. The first is that, through their own organisation, farmers would not be able to think quite big enough as to the forms which co-operative effort ought to take. You really need the very best brains, the best business brains in the country, working behind the co-operative organisation, particularly with regard to the sale of produce and the purchase of commodities. It has got to be worked out on the very biggest and broadest national lines with a great deal of co-operation with all sorts of other movements, with the distributors' movement, with the advertising movement, it may be with the railways, with the great centres of marketing, and so on. It may be that it will take some years for the farmers themselves to think on big enough lines to get the movement on to the best ground.

Then I think there is also this fear: that the State having come into the matter now, by being willing to appoint officers and so on, that farmers who are interested in co-operation may come rather soon to lean too heavily on the State. There is nothing the English farmer dislikes

more in theory than State help ; there is nothing on which he is willing to lean more heavily, when once he gets it, than State help.

The third danger is this : if the movement is pursued, as one feels that it will be, strictly on utilitarian lines, striving to get for the farmer not necessarily a higher price from the consumer, but a bigger share for himself of what the consumer has to pay, the movement may tend to lose sight of the better living ideal which Sir Horace Plunkett and others have put before it so much. I have a sort of fear that that great ideal of better living may a little bit fade.

Those are the three points : the necessity of people thinking big ; the difficulty of avoiding leaning on the State too hard once they have come in ; and how to get the whole movement aiming at better living. I think we might well during the Conference think and speak about these three points a little more.

I beg to second the Resolution which has been so splendidly moved by Mr. Dunning.

Mr. H. V. NORMAN (Irish Agricultural Organisation Society) : Perhaps you will allow me very briefly to intervene to tell you how what we have heard, both from the Chair and from Sir Daniel Hall and the other speakers, reacts upon those of us who have been working in this movement in Ireland for a quarter of a century like myself, or like my friend, Mr. Anderson, who has been working in it from the very beginning. I feel sure Mr. Anderson will agree with me that we cannot feel that an Agricultural Organisation Society is about to pass out of being without extreme regret. Our experience in Ireland is that you cannot do without an Agricultural Organisation Society, however strong your Farmers' Union may be.

Now, as we understand co-operation in Ireland—and I hope this view will emerge from the Conference—we maintain that co-operation can neither be done by leaving the farmer wholly to himself, without any encouragement from the State other than through a rare chance body which sometimes will have sufficient funds for its propaganda and at other times will not ; nor on the other hand do we hold that you can have a co-operative movement which is State-fed, State-led and State-dominated. You must have some nexus between the State and the farmer. The farmer in Ireland, no more I imagine than the farmer in this country, does not take very readily to State direction in regard to matters about which he imagines that he knows more than the gentlemen up in Dublin know. On the other hand, if you leave him severely alone, he will continue steadily alone. It may be true that we have more of the spirit of association in Ireland than you in Great Britain ; upon that side I have no first-hand knowledge. But I know that our spirit of association in Ireland is not sufficiently strong to enable our farmers to know precisely what they ought to do in combination, what they can best do in combination, and what they can best do alone. For that purpose they need counsel. Also, whatever unit of co-operation you work through must be, I should think here, as with us, such a unit as can be given and will take definite direction in important business matters with regard to questions such as the auditing of accounts and so on. We have had great difficulties in

Ireland, even in getting bodies who under their local registration were supposed to be obliged to keep their accounts right and have their yearly audit—we have had great difficulty in getting that done; but if you leave it to a number of sporadic, loosely organised, not well inter-related groups only, you will find you will not get anywhere. Therefore, I have intervened in this discussion for the sole purpose of throwing out the one suggestion that if you cannot maintain an Organisation Society, you should at least see that your Farmers' Union is definitely related, through a special branch or department, to existing Farmers' Co-operative societies, and gets into close contact with what has been done, and makes so careful a survey of what has been done that it will not spend years vainly trying to find links where the links exist to-day, and perhaps at the end of years of searching the links will not then be found.

MR. MACARTHUR (New South Wales): I feel rather diffident at taking the platform so early in the Conference, coming as I do from 13,000 miles down below, but I feel very strongly that the Resolution moved by Mr. Dunning is on the right lines. We have practically three organisations in New South Wales, the Farmers' and Settlers' Association of New South Wales, which comprises the bulk of the wheat growers and small wool growers; we have the Growers' Association, comprising the bulk of the wool growers, and we have the Creamery Producers, who are on the coastal areas and take in all the dairymen, and those who go in for butter, cheese making and bacon. These organisations, until some few years ago were non-political, but we found if we were to get a fair "go" from the State, and we were beginning to be dominated by the cities, we would have to go into the political field. Having done so, when the question of co-operation came up we felt that, being in the political field, we could not go in for co-operation, but we could easily establish co-operative companies under the wing of our Association, and in New South Wales we have formed a very strong Company called the Farmers and Growers Co-operative Co., Ltd. We started this Company some six years ago with a quarter of a million capital; we have since increased it to a half a million, and we are going ahead so very strongly that we feel that in a few years this capital will be doubled, perhaps more.

Now, there can be no doubt that the State can do a lot of good; we have proved that it can do a lot of good. The Farmers' and Settlers' Association, called the Farmers' Union here in England, can also do good by voicing the various requirements. The co-operative company can then come in and do their bit. We realised down below we could not get a fair go, as far as our produce is concerned. It is very difficult to get our products given a fair trial here. I have been round various towns in Scotland and was surprised, when making enquiries about our preserved fruits, to find they did not stock them, and we were given to understand it was no use; they say people have got used to some particular brand coming from Canada or the United States, and though ours is as good—or shall I say better?—the prejudice still remains. Now we realise that we can only get to these people through co-operation, and when I go back to Australia I am going to point out to them the only way to do what we want is to co-operate direct through the Associations.

We have this strong organisation in New South Wales, composed almost exclusively of primary producers ; if we can get these products put direct on to the markets or in the shops in Great Britain, then we will have direct co-operation between producer and consumer, and our produce will be judged on its merits, which they are not at the present time.

Mr. DRYSDALE (Scottish Agricultural Organisation). With great pleasure I intervene with one sentence to express my very hearty concurrence with the views put forwarded by Mr. Norman, and to offer a word of warning to Mr. Acland, if I may, that if the conclusions he has been suggesting are carried into effect, you will find the Farmers' Union rent in twain. You have not unanimity in the Farmers' Union in favour of agricultural co-operation. Many of the leaders are men who are actively and personally engaged in trading, or are connected with trading concerns, and it is not to their personal interest to do anything to further agricultural co-operation. Now in Scotland in connection with our A.O.S. we are inviting the hearty co-operation and goodwill and help of the National Farmers' Union, and we actually invite them to nominate representatives to sit on our Governing body ; in that way we work quite harmoniously.

Mr. STRICKLAND, (Indian Civil Service) : I feel that a word should be said on behalf of that country which more than any other has placed co-operation under the guidance of the State. I was rather surprised to hear it taken as a matter of course that the State servant cannot be a fervent co-operator. Why not ? It is easy to take into your co-operative work those of your State servants who are keen co-operators. Place them in such conditions as co-operative work in India does place them, and they will not stay unless they are enthusiasts ; you will find only those men will stay who are really heart and soul in the work ; the other people will go back to their more pleasant duties. I see no reason whatever why a State servant, if he is a keen co-operator, should not be just as successful a propagandist or supervisor as any voluntary organiser.

That, perhaps with a little pardonable warmth, I have said in relation to that one country which really does employ State servants as the main leaders of co-operation, whether English or Indian. It may be that such an organisation is not suited to England, Ireland or to other countries in which the smaller farmer is more educated, where you can reach him by means of literature, etc., and therefore it is more satisfactory to work through a voluntary organisation.

It has again been suggested that co-operation must be originated by the farmers and carried on by the farmers. I do not think so. The farmers must be an essential, responsive force. You must call upon the farmer, point out to him what he wants, ask him whether he wants it ; if he rejects it, very well, but you must go on trying to evoke a response from him. Farmers are very scattered and very busy, they cannot throw up from themselves their own leaders unless those leaders are able to devote themselves to this work only. I agree with what Mr. Acland said that you require to maintain whole time workers. If those whole time workers



are to come from voluntary associations, those voluntary associations must somehow or other be provided with funds. The A.O.S. in various countries is carried on by private subscriptions and a certain amount of Government help. Is it fair to ask any voluntary body supported by the existing societies to provide funds for protecting persons who are not at present in any co-operative society? I think not. Therefore, for propaganda at least, if you are not going to employ a State service, it is reasonable that every State should finance to some extent the chief co-operative body.

I will not suggest that propaganda is the only thing. As has been pointed out, many societies, after several years of inefficient auditing, send out an S.O.S. for help, when it is too late for help to be given them. What is required is a regular audit, and in addition to an audit, an audit by a man who knows what co-operation means, an expert with regard to the difficulties of co-operative societies, and trusted by and personally known to the people whose organisations he is visiting. If you do not have a co-operative audit, you are going to have a very cold-hearted audit, indeed. Somehow or other you want a co-operative auditor, and I do not think you are going to get that except out of a voluntary body, and I do not think it is fair to call upon a co-operative body to finance itself if it is carrying on propaganda as well as maintenance.

Mr. H. JAMES (Welsh Agricultural Organisations Society): In order to get a survey fairly complete of the position as it is in England and Wales, I may say that in April 1922 the Welsh Societies went out and formed a Welsh Society for themselves. With regard to the suggestion that the National Farmers' Union should work the co-operative societies in Wales, we should be more satisfied with that arrangement if the headquarters of the National Farmers' Union was in Wales and not in London, or in England. There is a strong feeling in Wales that we ought to manage our own affairs, and that our own affairs are not understood by Englishmen. We have had a few centuries experience of that, and the experience is not different from what it is was five or six centuries ago. We are sorry that the A.O.S. in London is likely to go under, but our people in Wales are inclined to carry on until such time as they can safely hand over to the Farmers' Union the work of organising co-operative activities in Wales.

With regard to the audit, we in Wales have found it very difficult to get what the last speaker called a co-operative audit, that is an audit which gives something more than just the drawing up of a balance sheet and figures. We would like them to give some guidance as to the way the business is going, and to help societies to get out of difficulties. The Government Auditors we have, or rather the auditors approved by the Registrar, are not satisfactory, and in many cases are very costly.

As far as marketing is concerned, if I might just say a word on this, allusion has been made to highly organised markets. I do not think we can say in Wales, where our industrial population has increased very largely during the last fifty years, that our markets are highly organised. They are highly disorganised markets, especially in the things produced by the farmer. We ought to try by co-operative work to get these

markets better arranged, so that the farmer may get a better price for his stuff on the market, as compared with the middleman, who takes a good deal more than the farmer who has raised the produce.

Mr. BLACK (Victoria, Australia) : I only want to say two words about co-operation in Victoria, Australia. The Co-operation I have had to deal with is a co-operation of dairymen for the purpose of marketing their produce. With regard to the point which we are specially dealing with at present, the connection of Government finance with the co-operative societies, the question did arise on one occasion in Victoria, the year the War started, 1914, when large areas had an unprecedented amount of drought, and the dairymen were really practically insolvent at that time. It was realised that help might be given through the Co-operative Factories. The produce was sold through the Co-operative Societies, who received an order to pay so much to the Government ; the Government was thus enabled to advance money to the dairymen, and not a penny of that money was lost.

Speaking generally of the question of co-operation in Victoria, the dairy farmers are intensely keen on it where it has been instituted for some years. I have been connected with these co-operative companies for over 25 years now, and what we have been aiming at principally is to enable the largest amount of the actual sale price of the product to go into the farmers' pockets. In that we have been very successful. I did not intend to speak when I came to-day and I did not come armed with figures, but a very low percentage of the actual amount of the produce is absorbed in marketing there. We export a very large quantity of our produce to Great Britain, and it is marketed over here. The Co-operative Societies are not merely co-operative societies, they are Co-operative Limited Companies for the purpose of selling. Generally speaking the producer on the farm has a small co-operative society which handles his stuff ; then there is a big selling company of which these co-operative companies are the shareholders, and in that way the produce is distributed over a wide area. The Society I belong to started some thirty years ago with a very very small capital, it seems ridiculous now, our capital was £1,250, and our turnover that year was £258,000. The last two years the turnover has been about a million and three-quarters. So you may see that out there co-operation has got a pretty firm hold in certain quarters.

We realise that co-operation cannot be one absolute whole. There is a co-operation of the producers and a co-operation of the consumers, each working for different ends, the co-operation of the producer to reduce the cost of marketing, and the co-operation of the consumer to reduce the cost of distribution. These two are working for identically the same point, the point of contact where both are in operation.

Mr. DUNKING : There is very little to reply to with regard to the particular subject on the programme this morning, the relationship of the State, but our experience in Saskatchewan may be of some use to others here. In the Department of Agriculture there is a branch known as the Co-operation and Market Branch ; it is manned by men who possess very strongly the spirit of co-operation, and they are experts in the business of

co-operation. The Branch does not force itself upon the farmers of the provinces, but any of the organisations may if they wish ask for a speaker to come from the Co-operation and Markets Branch to give them information respecting the marketing of poultry, the co-operative marketing of eggs, the co-operative marketing or purchasing of anything they desire to deal with. The branch is a service branch ; not a forcing propaganda branch. You cannot force the spirit of co-operation, it must be present ; but if it is present in a chaotic, unorganised way, the State can by well considered, careful methods help it and bring it to a successful issue. I feel sure that something of that kind could be done even under the very different conditions which prevail in other countries. So, in Saskatchewan, we are about midway between India and Australia, in our manner of dealing with it, and as is the case on most questions, perhaps the happy medium is the best situation to be in.

(Resolution put and carried unanimously.)

## *Co-operative Credit.*

AFTERNOON SESSION, MONDAY, JULY 28TH, 1924.

*Chairman* : SENATOR HAROLD BARBOUR, Trustee of the Horace Plunkett Foundation.

*Subject* : “The Co-operative Organisation of Rural Credit”

THE CHAIRMAN : Coming as I do from Northern Ireland, I would like to take this opportunity of reminding the man to whose generosity we owe the meeting here to-day, that in Northern Ireland we have some 128 Societies which are due solely to his teaching, and I would like to tell Sir Horace Plunkett that every member of all those organisations has the highest respect, the deepest affection, and the greatest pride in the splendid work that he has done for his native country. It is no fault of ours that there is any division in our co-operative work, our aims and objects are the same, and it is the wish of the people I represent that we should keep in as close touch as possible with the parent organisation to whose existence we owe our being.

MR. C. R. CROSTHWAITE, C.I.E., C.B.E., (Indian Civil Service) : I would like to read first of all the Resolution which I am going to move :

THAT the attention of Agricultural Co-operative organisations and of State Departments of Agriculture be directed to the importance

- (a) of adequate facilities for co-operative credit and to the functions respectively of short term, intermediate term and long term credits ;
- (b) of a uniform system of accounting and auditing among agricultural co-operative societies without which there cannot be adequate statistics.

I shall try to confine myself to the terms of this resolution.

When we started co-operative credit work in India it was necessary for the Government to take the initiative, simply because there was nobody else to introduce what was a novelty in an Eastern country. A Co-operative Credit Act was passed which facilitated the registration of Credit Societies. The feature of that Act was the provision of a free audit by the State, and I always think it is due to that wise provision that the co-operative credit movement in India has been able to make such remarkable strides. Of course it was very easy in India to start credit societies. India is a country not of towns but of villages. In the particular province from which I come, a province which is as big as England, Scotland and

Wales together and which has 13 million inhabitants, there are about 42,000 villages. In the whole of that province there are only two towns which have over 100,000 inhabitants. You have therefore before you a picture of an entirely rural province; the villages are small, the average number of people in each being from 400 to 500. It is easy in a community of four or five hundred people to get together ten or more—that is the number prescribed by the Act—who are willing to trust each other and to pledge each other's unlimited liability for each other's borrowings. Unlimited liability is the essence of the Indian co-operative credit movement, and unless you understand that I do not think that you will be likely to learn much from our Indian experience.

When we started in 1904 our co-operative credit movement, the great difficulty was to find the money to finance it with. A small village or society is an isolated unit, so isolated that it is difficult to bring it into touch in any way with the commercial banks, and I have always maintained that the cycle of banking should be complete, it should not stop short at the bottom of the commercial system but the co-operative central bank which finances the group of village societies should be linked if possible to the commercial bank. That was our effort in India. We wanted to get the commercial bank into touch with rural credit. There was a great advantage in doing so from the commercial bank's point of view, and especially from the point of view of the Imperial State Bank of India. If you could get promissory notes of the Societies lodged with the central bank dealing with all the societies in the district, it was possible for the central bank to endorse those promissory notes on to the Imperial Bank of India. The Government gave permission that if this scheme could be worked, the Imperial State Bank could issue notes to the value of the promissory notes.

You will see the advantage of that. When, for instance, cotton comes on the market there is always a scarcity of money; but if you could issue notes against the securities of the Societies, which again represent agricultural produce, money would be cheaper and credit facilities all round would be greater. Therefore, I think it is well worth while for the Government, in assisting trade and commerce generally, to consider how far they can make use of agricultural produce as a basis for increasing the note issue. In India we work up from the credit society to the co-operative central bank. Once we had the credit societies grouped under central banks the difficulty as to credit disappeared. We found that the public were quite willing to deposit money with the co-operative central banks, and in a very short time the co-operative central banks had a great deal more money than they knew what to do with. If the co-operative credit banks linked up with commercial banks, the surplus money from the agricultural banks would go to assist trade generally. But instead of that we had the commercial banks on the one side and the co-operative banks on the other side working in water-tight compartments. Although in my province the problem was not solved, in the province of Madras, a much bigger one, it was solved by the means our Committee suggested. In Madras you will find to-day the Imperial State Bank is accepting the promissory notes of credit societies endorsed by a central bank, and is using the co-operative notes as a basis for increasing the note issue.

This resolution deals respectively with short term, intermediate term and long term credit. There again we found difficulties when we come to negotiate with the commercial banks. It has been said, I think, and very truly said, that the essence of banking is discrimination between productive and long term credit, between productive and mortgage credit, if you like to put it that way. Short term credit is, as I understand it, a loan for, say, seed; a man borrows for seed, he sows the seed and he reaps his crop, and then he repays the loan. Calamity may prevent him reaping the crop and repaying the loan, and he may have to renew; that I understand is what is meant by intermediate term; I have not framed this resolution, but I gather that long term credit means mortgage credit. Mortgages are not always productive, they are sometimes the result of ancestral debt, and especially is that the case in India where debt is a religious obligation and ancestral debt is inherited from father to son. It was therefore very necessary for us to tackle the question of long term credit. We found a great difficulty in doing so, because you can persuade people to deposit money for six months, or perhaps a year, or even for five years, but you will find it very difficult to persuade them to deposit money for longer terms. In Germany as you all know, I suppose, the difficulty has been solved by the creation of State mortgage banks. A group of landholders pools the whole of its land and estates, and bonds are issued against those assets. Those bonds stand in very high favour in Germany, and carry a very low rate of interest and command a ready market. I do not know whether it would be possible in other countries to apply this system of mortgage credit, the German system, but I think anybody who has been to Germany and studied the co-operative credit system there must have been struck by the very ready manner in which the public absorb the bonds issued by the Mortgage Credit Banks.

The second part of this Resolution deals with a uniform system of accounting and auditing. I think it must be obvious to you that no commercial bank will look at a co-operative which wants finance from it unless it can readily understand its accounts. It is most necessary to have a uniform system, because unless you do, when you are dealing with thousands of credit societies as we are in India, you cannot manage it. We secured by provinces—I won't say all over India, that is a very different matter—but we secured by provinces a uniform system of accounting because we had at the beginning a State audit, and we had at the head of this audit, registrars, officials appointed by the Indian Government to organise the credit movement in their respective provinces. There are other registrars, men who have been registrars in India, present here to-day, who are far more qualified to tell you all about the credit system in India than I am, but I should merely like to say that on the Committee on which I sat before leaving India, which was asked to devise a means of bringing the co-operative credit system into touch with the commercial banks, we had a commercial banker, and we had a banker from the Imperial State Bank, and he was insistent, and the heads of the Imperial State Bank were insistent, that the State should have a uniform system of accounting and auditing, if any help whatever was to be given by the Imperial State Bank.

I do not know quite how far the State in others countries can organise

a system of accounting and audit. In Germany the State has not organised it, but it is uniform through their big groups of societies. In one unit for instance, comprising thousands of societies, the system is absolutely uniform, and that is done by making the societies pay a contribution to an audit union of which they are members. This Audit Union maintains a very high standard of audit, and maintains an audit staff for the service of the societies. The State recognises the Union, but does not assist it in any particular way. That is one way out of this difficulty. In India we have reached a stage—at least, we had in our province when I left—at which we cannot extend the number of official auditors, because that number has got so large that difficulties as regards pay and pension and the burden on the taxpayer, have arisen. We have tried to solve it in that province in India by the organisation of an audit union. That Audit Union has worked well, but I do not think it would have worked well but for the whole-hearted co-operation of the Government staff.

THE HON. J. A. GRENIER, (Deputy Minister of Agriculture, Quebec): Each province of the Dominion of Canada has its own system of agricultural co-operative credit, because the conditions existing in the different provinces are not the same. The report of the Committee of Agricultural Credit, appointed by the Ontario Government in 1920, considered agricultural credit a provincial rather than a national problem, and gave the following opinion:

This problem in Canada cannot be solved nationally. With such a continental stretch and with such diversity in race, creed, character and social and economic environment, it must be dealt with in more limited areas. The facts of this report teach us that the province of Manitoba, with 66 rural credit societies developed in the short space of three years, if it continues to make progress in the future in the same extent and in the same direction as at present, would place the people of that province upon the threshold of their own solution. Turn again to the good work and the wonderful results attained by the people of the province of Quebec.

In the province of Quebec we have a system of agricultural credit that we call co-operative, because it much resembles the different popular credit systems now in vogue in Europe and also because it corresponds with sufficient exactness to the greater part of the co-operative principles generally admitted by the International Co-operative Alliance, particularly in respect to (a) the union of persons with the same needs, (b) transactions with members only, (c) decisions made by the majority of votes, (d) one member one vote, regardless of capital invested, (e) fixed interest payable on capital (generally 5 per cent.), and (f) profits divided in proportion to the transactions of the members with the organisation.

As to this last point, however, a reservation has to be made. In reality, in our co-operative people's banks, the profits, when there have been any, were not actually divided in proportion to the transactions; they have served up to the present time to increase the rates paid to depositors, which are 4 to 4½ per cent., while the banks pay only 3 per cent., or to lower the interest on the accepted loans, in certain cases to 5½ per cent., the banks lending at 7 per cent to 8 per cent.

Our Co-operative People's Banks (Caisses Populaires) in Quebec have been chiefly founded in the course of the last fifteen years. They now number about 125. They are based on the Quebec Syndicates Act, but this statute was only given to them after the success of the first Co-operative People's Bank founded in this Province, the Caisse Populaire of Levis. This was founded in 1901 by M. Alphonse Desjardins, the organiser and manager. Later M. Desjardins became the organiser of the greater number of those which have been established under the Quebec Syndicates Act.

The field of activity of the banks is limited by law within the borders of a parish or municipality. Our agricultural parishes include as a rule 150 to 300 families.

The working of the co-operative rests on the combination of the savings and the loan. Only members may deposit or borrow. Responsibility is limited to the amount of capital subscribed by each member. The share is \$5.00, payable within the year of subscription either in full or in small instalments; a member cannot hold more than \$2,000 of capital. The capital is variable and may be withdrawn or augmented at will, subject to certain conditions. The value of the shares remains always the same.

The administration of the Co-operative People's Banks is carried on by three committees: the Council of Administration, which is charged with the general direction; a Credit Board, which examines the requests for loans, and the Board of Supervisors, which has for its purpose the auditing of the business of the Society. The officers of the banks fulfil their duties gratuitously; they cannot act as surety for another member, or borrow for themselves. The manager is the only person of the organisation receiving a salary.

When the interest due to shareholders and to depositors is paid, as well as the losses if there have been any, the profits of the business of the bank are then applied to the creation of a collective social credit, under the names of reserve funds, provident funds, and if necessary, surplus funds, by paying for the two first a percentage determined on the net profits. For the reserve fund, this percentage must not be less than 10 per cent. When liquidation takes place the eventual credit balance must be distributed in the community, according to the advice of the Lieutenant-Governor in council, for a work of public utility.

There are at present about 35,000 members in the different Co-operative People's Banks of the Province. The great majority of members are farmers. The amount of approved loans reached four and a half million dollars in 1921 and at present they are about three and a half million.

The loan obtained by a member of a Co-operative People's Bank is not necessarily based upon the material value of the security, as with the chartered banks; much more account is taken of the moral value of the borrower, who must, however, find one or two sureties. From the fact that the members in every case know one another thoroughly, and from the fact also that special precautions are taken by the credit board, the societies practically never lose a cent upon the loans effected.

The Co-operative People's Banks do not count upon aid from the Government for their existence. Except small grants for the expenses



of organisation, they carry on in an independent and autonomous manner, procuring their resources from the sole source of the savings of the members. This money is afterwards loaned at 6, 7 or 8 per cent., with the right of repayment in small sums. The loan is accorded in its entirety; that is to say, the interest is not payable before it is due, as with the chartered banks, but only when fully due, unless it is a case of a loan effected for a period of more than a year. Further, the interest on the loans diminishes in proportion as the repayments are made. It follows from this provision that the Co-operative People's Banks are enabled generally to lend cheaper than the chartered banks, though apparently the rates are at about the same figure.

In order to dispose of surplus of money in the Co-operative People's Banks in certain parishes, and at the same time to meet the needs of others short of funds, two regional unions have been founded recently, one at Quebec and the other at Three Rivers. These regional unions comprise as members only the Co-operative People's Banks. They have just begun operations, but give the promoters of the system the best hopes for their success. Other districts are organising regional unions. In order to assure a good administration of these institutions, an inspection service is maintained by the regional unions. A like service of inspection is organised also for the region of Montreal, though no regional union has been founded as yet in that district. The Quebec Syndicate Act obliges, since 1915, the managers of these institutions to make an annual report of their operations to the Secretary of the Province.

By the foregoing brief outline we may see that a co-operative movement of agricultural credit of considerable importance has been able to develop in our Province without the aid of Government, which demonstrates that the social standard of our farmers is high and that they are not lacking in initiative.

Mr. L. SMITH-GORDON (Manager, National Land Bank, Dublin): I have not the usual speaker's excuse that I did not know that I was going to speak this afternoon, because I have known it for some time, but I have the secondary excuse that I did not see this Resolution in this form until a few minutes ago, and I am not quite certain that I approve of it absolutely; I would like to make one or two alterations in it. But I have really a much better excuse than that for the fact that my speech will be rather disjointed, and that is because I am in rather a peculiar position. When I came into this room I thought I could talk to you about something with a little more insight than most people, and I was correspondingly horrified when Mr. Crosthwaite, who I thought would discuss the formation of co-operative societies in India proceeded to speak, with extreme unction on the very aspect of this thing which I had looked forward to dealing with myself. The worst of it is that I cannot retaliate on him by talking about co-operative societies in India because I do not know anything about them. I am in the peculiar position that up to a few years ago I was entirely engaged in the co-operative movement under the training of Sir Horace Plunkett and his associates, which I suppose was the best training which could be got in this subject, even if I did not take advantage of it. But as Mr. Acland said this morning sometimes

political things and other things distract one's attention, and by some circumstance of that kind, I fell outside the immediate scope of the co-operative movement and became a banker, which was the last thing that I had ever expected to find myself. Since I have been in that position I have had it very forcibly impressed upon me that the relationship between the co-operative credit movement and the commercial banks is really a most important thing which all co-operators who are interested in the credit side of the movement have to consider, and it was upon that I wanted to talk especially this afternoon, but as I say Mr. Crosthwaite has already more or less emphasized that aspect of the thing.

However, I was going to say something more about it, that is the reason why I began by saying perhaps there was something in this resolution I might like to see changed. The resolution suggests drawing the attention of agricultural co-operative organisations and State Departments of agriculture to the importance of the co-operative credit movement. Well I do not deny that this a most excellent thing to do, but I am rather inclined to suggest that it has already been done *ad nauseum*. Everybody who has spoken here to-day one way or another has referred, I think, to the report of their particular nation, provinces or district on either agricultural co-operation or agricultural credit. We also, although as a nation or at least as a Government have only been in existence an infinitesimal period as Governments go, we also have within the first six months of our existence had a report by a Commission set up by the Government on Agricultural Credit. I do not want to say anything disrespectful to Governments, but I venture to say that there is a pigeon hole in every State and Provincial Government almost in the civilised word labelled "Agricultural Credit" and containing at least one Governmental report of extreme length and extraordinary intelligence but as we were told this morning, and I do not think I have ever appreciated more fully the truth of any statement, there is one above in the shape of the Treasury or Minister of Finance, who sees to it that those pigeon holes should keep in their proper place, and nobody knows better than the permanent head of the Treasury what the proper place is for a pigeon hole containing a report on Agricultural Credit. I do not think that there is the slightest use in continuing to call the attention of governments to the need of agricultural credit, because I do not believe you will ever get anything out of them which will be of practical working importance. As far as calling the attention of agricultural co-operative organisations to it is concerned, well they are naturally alive to the importance of it, they too have their Treasury, at least if they are properly run they do, and while that Treasury if I may say so respectfully has not the same malignancy as a Government Treasury Department, it has a proper sense of caution, and is unable to spend large sums of money for which no return is made. The experience of most countries must be the same as the experience of Ireland, that you can organise co-operative credit societies very effectively, but you cannot in the nature of things, seeing that they are not bodies trading in a large amount of commodities at considerable profit, you cannot get from those societies when they are organised a return which will enable you to keep up the staff of organisers and auditors and inspectors which are really needed if a credit society is to

flourish. I suppose the experience of the last three years has probably warped my mind just as much as if I was a Treasury official. I had to learn enough about banking to pretend I was a banker in about three months and had to carry it on ever since, and when I started I had a very what you might call critical outlook towards the mysteries of banking, and believed they were what flippant people would call "eye-wash." I think I was probably quite right when I believed that, but I have been at the game long enough to begin to feel a great respect for the technicalities of banking. If you have to earn your living by carrying out technicalities of any kind you generally get a good deal of respect for them in public, and I have persuaded myself with I think a good deal of reason that banking is a thing which requires a certain amount of character in the carrying of it out. I used, for instance, to think when I was purely in the co-operative movement that it was very ridiculous not to combine credit and trading activities in the same society, and I have it to my credit, or discredit, that I directly advocated in articles and speeches and elsewhere an extension of laws in Ireland and other countries so as enable co-operative societies, credit societies, to carry on trading transactions. I have fully satisfied myself since I had to face the facts of handling money every day that that is a most dangerous and undesirable thing to do. I have satisfied myself also that it is practically impossible for the same organisation, whether a society or a bank, to carry on the various forms of credit which are referred to and distinguished in this resolution at the same time. I suppose no nightmare would be more terrifying to a banker who may have had something for dinner which he should not have had, and would wake him up in the night with such a foolish feeling that the end of the world was approaching, than if he should suddenly consider whether in a dream or otherwise, that he had got just over forty per cent. of his assets loaned for a period of let us say ten years and that the next day just over sixty per cent. of his depositors were going to come in and ask "What about their money?" A banker is always in the position of Mr. Micawber—the difference between 19s. 11d. on one side and 20s. 1d. on the other side—well you know what the difference is. Now that which applies to a bank on a larger scale, and it is the chief preoccupation of even the biggest men in the biggest bank, is equally true of the smallest credit society, and if those societies are going to flourish they must be in charge of somebody, or there must be somebody having supervision over them who has learned, or has been persuaded of the importance and the significance of just one or two of the little technical things about the handling of money.

I think it is not nearly such a difficult thing, not nearly such an interesting thing perhaps as the selling of groceries or butter, or the manufacture of butter, or anything of that kind, but it just has this difference. if you make a little mistake in the selling of groceries, you can even carry on for four or five days selling something at a little below what it cost you and retrieve that mistake without having more than a bad mark against you from the people to whom you are going to pay dividends. You cannot make a little mistake of that kind in the handling of other people's money and get away with it, because it won't come back to you again if you once make a loss. All this is not intended as a lecture on

banking, but merely as a suggestion that the credit side of the movement has to be dealt with very differently and very independently of the rest. I feel for that reason, as Mr. Crosthwaite has said, the great problem of the co-operative credit movement of the future is the linking up of that movement with commercial if you like, or with some kind at any rate of higher banking facilities, not only in order to give you a chance of equalising the distribution of money between one district and another but also to make certain that you have got some kind of control audit and inspection of those societies, not from a Government source, but from a source where the people are trained in the actual job which those societies are doing, and will see to it for their own protection that the accounts are properly kept and the money properly handled. You may suggest that in a good many ways the co-operative credit movement has gone on very well without any linking up with banking. That, of course, is perfectly true, but I think it is a good thing that we should consider as well as the successes, some of the less—I do not like to say failures—but some of the less successful types in the history of agricultural credit. I think none of my friends and colleague, from Ireland will deny that the agricultural credit movement in Ireland in its time did a most admirable and highly needed work, but it has almost ceased to exist at the present time largely for the reasons which I gave at the beginning, the lack of getting in a position where somebody could look after it, but also for another reason which links up what I have just been saying now, that is the position of the Joint Stock Banks. I do not know anything about Canada: the one grievance I have against Canada, which I believe to be an excellent co-operative country, is that it was put down such a long way away from the place where Providence put me down that I have not had an opportunity of getting to look at it first-hand, and after all what you read in books and even what is heard from other people is not the same thing. I will probably be safe in saying with regard to banking in Canada that ordinary joint stock banking is not the same thing as it is in England and in Ireland. Someone said to me the other day, “Oh, you are in the banking business, that is a new kind of tobaccoist’s shop business,” and I said “What exactly do you mean by that; I do not see any resemblance at all between a bank and a tobaccoist’s.” I was rather on my dignity. The reply was, “I do not suppose there is any resemblance except that there is one of each of them at every street corner.” That is a matter of fact as you all know in London. You can hardly walk down any street in London that has not a bank at each end and very often one in the middle. In Ireland, which is a rural country without the same facilities, the number of branches of joint stock banks has increased incredibly within the last few years; the use of cheques has become almost universal both in England and Ireland, so that a man hardly requires any money with him provided he has his cheque book. These things do make all the difference so far as we are concerned with the development of the agricultural credit society. The ordinary farmer who is at all well known in Ireland at the present moment, a man of good standing, can go into a branch of a joint stock bank without travelling very far and take two friends with him, or one friend, or if he is of particularly good standing, he can do it himself which he much prefers, and get

his Bill discounted there without the least trouble in the world. So long as that goes on the need for short term credit is comparatively small. There is only one way to compete with that, and that is a way which we rather overlooked, and which I observe has not been overlooked in India, that is the method of concentrating on the deposit side of the business. Raiffeisen started his co-operative societies in Germany, and called them "Savings and Loan Societies," he did not call them Credit or Loan Societies, or even Loan and Savings Societies; he put the savings first and the first thing he did was to go out and encourage people to entrust their savings to these societies before any money was lent out. In modern times we do not do business like this, because it has become comparatively easy either by Government loan or by getting hold of a bank or well-to-do individual to start and put some money in before you get any deposits put in. I do not know if the same thing would hold good in India, or whether human nature is different in some places, but I do know that in Ireland if you lend out money before you get the amounts deposited in, you will never get any deposits at all. The only way we can really create a strong co-operative credit movement is by insisting that the money shall be put in by the people who intend to use it in loans. From our point of view in Ireland that is the crux of the whole situation.

Now we come to the second part of this resolution, the distinction between short term credit and intermediate credit and long term credit. I would rather be inclined to make a slightly different distinction from what Mr. Crosthwaite made, although we neither of us knew exactly what was in the mind of the person who used those terms. Looking at it from a banking point of view I would call a short term loan probably the discounting of a three months' Bill, certainly not less than a three months' Bill, and I would not ask a man any questions as to what he wanted that money for.

Intermediate term is a thing you get a good deal of, the need of a loan for two years or three years, and when you come to long term credit you get anything from 25 to 60 years. I feel, and I think the Commission which sat in Ireland and dealt with this matter felt, that short term credit in a country where banks are very well developed can as a rule be taken care of by those banks and by such co-operative credit societies as Mr. Grenier has already described, as it ought to be within the competence of the agricultural organisations in the country to organise and take care of provided it can persuade the members to put their deposits into the Society.

When you come to the longer periods of credit, there I see nothing for it but for some form of Government assistance which in my opinion should only take the form of a guarantee or pledge of the security of certain institutions. I suggested to the Agricultural Committee in Ireland if we could adopt the suggestion more or less in their report, that it ought to be possible for the Government of any agricultural country to go to the banks, call the bankers together and point out to them what we all know to be perfectly true, the enormous amount of trouble which they are put to and the enormous amount of bad will, if I may use the expression, which they incur from the very fact which I have just referred to, which is that they are not in a position to make

the loans to the farmers which the farmers require, and that the farmer does not understand why, considering that he always patronises such and such a bank, he cannot get what he wants ; it is a source of annoyance to every local manager of a bank trying to explain to his customers, and a source of bad relations between the banks and the community at large. It is within the recollection of everybody here who lives in England that this question was so strongly raised in England that the Chairmen of practically all the big five banks a year or so ago found it necessary in addressing general meetings to make a speech in defence of their policy addressed to farmers, and to get analysed returns from branch managers showing what they did lend to farmers. The Banks realising that position must want to keep away from it. They have very considerable sums of money always necessarily tied up in investments of one kind and another. It is possible for the Government to go to these banks and say, if you will pool a certain percentage of your assets, and form an agricultural bank, let this agricultural bank make these long term loans through the branch managers of the banks to which the applicant applies, we as a Government will guarantee you that if at any time you can prove to us that as a result of the amount of money that you have locked up in the agricultural bank, you are in some difficulty, then we guarantee temporarily to replace that money for you, so that you can use it as cash. There is no element of risk to the Government, there is no difficulty about competition, because the farmer will still go to the branch of the bank which he ordinarily deals with, and there is no very great risk for the Government or for the Bank.

I must confess that I doubt whether this business of long term credit can be handled in a manner which really is, technically speaking, co-operative. You have the example of the German *Landschaften* working very well and doing what is required, but what is there after all about a *landschaft* ? You go in, you borrow money, you pledge your land, there is this element in it, that there is a sort of joint pledge of all the lands on it, one land rests on all the lands, if you call that co-operative, but apart from that there is no real mutual spirit about it at all. It is a question of an institution for the convenience of a large number of people backed and guaranteed by the Government. As far as I know the *landschaft* is the only example which people ever produce to you of long term co-operative credit. Therefore, I think we may as well make up our minds that we must not be doctrinaires about this particular matter; we are looking for a system by which we can get for the agricultural community with the assistance of the Government and the co-operative leaders of the community the facilities which they require.

I have already exhausted my time. I only want to end up by endorsing what Mr. Crosthwaite has already made very clear, which is that this matter of a uniform system of accounting and auditing is at the same time vital. It is quite impossible, as he said, and I think at some time or other he must have spent a long time inside a Bank himself, because he hinted at exactly what does happen. You sit in your office in a Bank and you see 15 or 16 people one after the other. You know before anybody comes in exactly what they want, they want some money out of you and bolster up a bad case by trying to see just what your weak point is and which particular kind of prevarication you are most likely to believe.

That is not a special reflection on the particular kind of individuals that come into my bank, because we all do it. I do it myself. If you have to deal with that sort of thing day by day and hour by hour—I sometimes deal with 45 people in day on that basis—if you have to do that you say to a man when he comes in, “What is the proposition? Put it down in black and white and let me see a balance sheet.” Our difficulty with Co-operative Societies is that a man comes in and starts telling you all about it, and you know probably everything he is telling you is true, but you simply have not got time to listen to it. He points to an item in the Balance Sheet under Suspense Account, and says “I want to tell you about that. It was six months ago and the traction engine ran away and turned down the street and it just crashed into Will Jones’ house and took away a little piece of the end gable and we have had a law suit with him ever since, the auditor told us to put that into Suspense Account until we see what can be done.” It is all very interesting and it is probably perfectly true. He may have an absolutely good excuse for balance sheet looking like that, but you simply cannot do anything because you do not know whether it is right or not, and have not time to find out. The only way in which anybody will be able to call attention to the needs of societies of that kind is to have a firm control by a known auditor who will prepare the accounts in such a way that you can look at them when they are put in front of you and see exactly what is wanted, whether it is a good or bad society, but it has to be done by somebody who has been trained for that very purpose. That I believe is the way to arrive at the thing, and I think that is more or less what is done, to some extent at least, both in India and in Germany. At any rate let us build up any co-operative credit system in the future first of all, on a system of doing our own financing, that is getting our own money concentrated in our own societies before we begin to make loans, and then run an audit on a uniform system.

Mr. ENGLISH: I do not feel it easy to discuss this matter, because we are here from all parts of the Empire and I only know the conditions in one province of India and in a very small part of an English county. As regards England, you are aware that an Agricultural Credits Act was passed, I think, last year. Our Society, of which I happen to be Chairman, was, with others, asked to further the idea of agricultural credit; but we found ourselves unable to take any action under that Act for a good many reasons. One was that in our small town, where the five big banks are all represented, the banks really suffice. Another reason why we did not approve the principles of the Act was that there was no provision in it for that very essential thing that we have just heard of, the collection of savings and the securing of your own money as a result of your own good management. We were averse as a Society to the idea of tying ourselves up with the Government on terms that were very little better than we could get from the local banks.

I personally have no belief in so-called co-operative credit which is really simply State loans, and I do not think that sort of credit is really the thing for which co-operative organisers should labour. It is far more important, as Sir Horace Plunkett has said in his message, that we

should tackle questions like the disposal of the produce and the purchase of necessities and the building up of things which are going to do us much more good.

I have only one other remark I should like to make, and that is that, supposing co-operative credit is wanted, it is absolutely vital in my view, and I have a longish experience of it in India, that it should begin at the bottom. That is equally true of all co-operative organisation. You will not get real enthusiasm or understanding or loyalty—and it is that matter of loyalty which is the most vital difficulty in England—without you begin from the bottom and make every member understand what co-operation means. Such success as was arrived at in my own province of Burma I feel sure was due to the fact that we made as far as possible every member who joined the Society learn the ten main points of co-operation. Good societies are by far the best propaganda. No amount of talk and no amount of organisation can do as much as one society the members of which know what they are after.

Mr. NORMAN (Irish Agricultural Organisation Society) : I have already intervened to-day in debate, and I promise you that this second intervention of mine will be very short. I have heard with great interest and with a very great deal of agreement the views of my one time colleague and friend, Mr. Smith-Gordon, in regard to agricultural credit in Ireland. Now with nearly everything that Mr. Smith-Gordon has said I am in agreement, but I just want to put in one little caveat in regard to the credit side of the movement in Ireland. If I had heard Mr. Smith-Gordon's speech two months ago, perhaps even less than two months ago, I do not think I should have asked to make any modification in what he said respecting the Irish movement, but within the last two months there has been a new stirring of life in places where societies which were considered failures and which had ceased to work, have again come to us and have asked to be re-organised on a credit basis.

Now the moral of that is obvious. It is simply that, as was said a moment ago, you must not build from the top. I think that perhaps in the early phases of the credit movement in Ireland we built a little from the top. Now if the credit movement is not to end—and I assure you it will not end—it will have to be carried on by selecting a few districts and planning very strong, sound credit societies, only where and as they are definitely asked for. If they should grow, there is no doubt in my mind that some means will have to be found for fulfilling all the conditions which Mr. Smith-Gordon referred to in his excellent address, whether through a central bank or whether through money advanced by the joint stock banks with some kind of guarantee.

I feel that if a new credit movement can be initiated in Ireland, and I am still optimistic enough to hope for it, though it will be slow, it will be essential that a proportion of the money to be found must be found by the people themselves. I believe that, with supervision over the money, and a central fund which has behind it some local support in every district which is to be helped, you may still make credit one of the bases of co-operation in Ireland.



Mr. MANOD OWEN (Wales): There are five delegates here from my little country and they have persuaded me to come up and say this: that there is no more pressing necessity with the Welsh farmers than agricultural credit. The industry is under-capitalised and the farmer has to resort to borrowing, and not from the best sources. He should borrow unquestionably from a respectable bank; but for some reason or other he does not go to the bank; he is either afraid of the big, mahogany counters or the manager's room or something or other; he does not trouble the bank very much. The majority of the farms are small, consequently there is a certain lack of education.

I do not want you to run away with the idea that the small farmer is not intelligent; he is highly intelligent; but we are, as one of our people, the late Mr. Tom Ellis, explained, like a loaf that is very highly baked on top and very nearly dough on the other side. We are very highly organised in religion, and show a considerable amount of intelligence in that organisation; but as regards agriculture we are not. The greatest drawback to agricultural credit that I can see in North Wales is the farmer himself. He hates to borrow in a legitimate open form; he will not tell his neighbour, and that is why this Agricultural Credits Act of 1923 which is on our Statute Book cannot be worked in Wales; from what I hear it is not very popular in other places. The Welsh farmer borrows through credit sales and through dealers in seed and other farm requisites; he goes to the credit sale and gets six months' credit, purchases his stock there in September or October for payment in the first week in May. That borrowing accommodation costs him forty per cent. interest. Therefore I want to emphasize this pressing necessity for some form of agricultural credit. I have no definite scheme to suggest to the Conference as to how to get over this difficulty, but I did hope we should have something to go back with, some ray of hope for some improvement on the Agricultural Credits Act.

RAI BAHADUR J. M. MITRA: Unfortunately I was not present when Mr. Crosthwaite delivered his opening address, but I gather that he spoke on the importance of linking rural credit to commercial credit. This matter has engaged some attention in Bengal. When we began to organise co-operative credit there we found the commercial banks were unwilling to support us. We had to form our own local central banks to finance the village credit societies. Later on, when we found that these local central banks were strong and we needed also outside assistance in times of stress, these local banks were organised into provincial banks to come into touch with the wider money market and especially with the commercial banks.

We found that in Bengal there are times when all agriculture has a surplus, and the provincial banks found it difficult to invest these surplus funds; then the provincial banks got into touch with the commercial banks and began to lend their surplus money. The commercial banks have also surplus money of their own in particular seasons, and they are now beginning to assist co-operative credit through the provincial banks.

This state of things in agriculture always coincides in Bengal with the

stress in commercial banks, and the reason is not very far to seek. When agriculture borrows, it is for the financing of the movement of crops and for financing trade in commodities for the use of agriculturists; it is when agriculture reaps its crops and sends them to the market, that the commercial banks want money to finance the movement of the crops. Similarly when agriculture wants money, the commercial banks are usually in surplus, because they have not got to send out money for the movement of crops. Therefore the importance and the urgent necessity of linking rural credit with commercial credit is a matter which I think should be carefully looked into. Both the commercial banks and rural credits would receive great assistance from each other if they knew how to get into contact with each other without being jealous of each other.

Some of the previous speakers have laid great stress on the necessity of raising funds from the members before undertaking loan operations. This is a matter which I think has rather been neglected in England. I think I am right in saying that in most of the provinces in India credit societies are no better than loan societies, but this has also been engaging the attention of all the persons who have charge of the co-operative movement in different provinces. Within quite recent years the importance of the members subscribing funds to their society has been greatly impressed upon all the co-operative societies with excellent results. I think as time goes on India will not lag behind other countries in the matter of provision of funds by members themselves.

Mr. R. A. ANDERSON (Irish Agricultural Organisation Society, Dublin) : From what I know of farmers, the problem of the Irish farmer differs very little from the problem of the farmer anywhere else. The nature of his business is such that he must have credit, but he must be able to get credit at a price which will enable him to make a profit out of his farming. The credit societies in Ireland cannot be said to be a failure. I remember when they were started many years ago, and I remember that I heard in those days what I still hear from some of them which are still going, that the money the people borrow from those societies was described by them as "the lucky money." Now did anybody in this room ever hear that description applied to an ordinary loan to a farmer from a bank? The loans that Irish banks make through their network of branches are not suitable for the requirements of farming. A three months Bill will not enable the man to sow his seed and reap his harvest, neither will it enable him to buy cattle and gain a profit on those cattle, except on very rare occasions.

The downfall of all the co-operative societies which have failed not only in Ireland, but also in England, as I have seen from the report of the English Agricultural Organisation Society, has been the giving of reckless credit by those societies. Now I maintain that if each of those societies which has been brought into difficulties or which has failed through giving too much credit, had had beside it a properly organised credit society to make loans on proper economic terms through the members of the trading society, thus enabling those beyond to buy their requirements through the trading society, you would have a larger amount to-day in existence with very few failures to report.

The credit that we have in Ireland is certainly lavished upon us at times when we do not very much want it ; banks are always anxious to lend out money when they see that it is perfectly safe to do so, but they do not always cater for the wants of poor men. The larger farmer can go into his bankers, as Mr. Smith-Gordon told you, and can get on his own note of hand pretty well all the money he requires for the purposes of his business ; but what about the small man, the little farmers ? We, like our friends in Wales, are a country of small farmers ; these men cannot possibly pay the rate of interest which is charged on their loans. It is not the rate of interest which they pay on the original loan from the bank, or on the renewals which they are bound to make, but it is the expense attendant on bringing their assets to the town where the bank is situated and paying that man directly or indirectly in labour, cash, or in kind for his services in going security for him.

As the co-operative credit societies were organised, the borrower from those societies had the advantage of taking counsel with the most level-headed and best members of the community in which he lived ; he had to satisfy them in the first instance, before he was admitted to membership, that he was not a drunkard or a spendthrift, and whenever he came applying for a loan he had to satisfy his own friends on the Committee of the value of the purpose for which he required that loan. This kind of question is not asked by the ordinary banker. He may sometimes find out vaguely what the money is wanted for ; but he has no machinery like the local community has for seeing that the money is applied for the purpose for which it is granted.

Now the one fault I see in the credit societies is this, that unless you have as Secretary of the Society a man who is an enthusiast, who believes thoroughly in the principles of co-operative credit, just as he believes in his religion, the Society is very likely to break down. There is another difficulty ; the societies had to be organised under unlimited liability. In very few cases did the well-to-do men come into them and take their share of the responsibility, because they well knew they would not be taking their share, but far more than their share. They knew the principle of unlimited liability would apply at once against them, and whoever lent the money to the Society would not look to Tom, Dick and Harry for a portion of his contribution, but would look to the well-to-do member of the Society for his.

I have only one suggestion to offer ; I do not think we ought to feel too optimistic about the future of agricultural credit. I think it is even more wanted than it was in days gone by, but I do think that some modification in the form of organisation should be adopted. I agree with Mr. Smith-Gordon that banking should not be mixed up with trading ; credit societies should be kept separate and distinct. And I think they might be organised on a basis of limited liability which would place responsibility on each person for his full share of the liabilities of the concern. That might work—I do not say it would—and I doubt very much that such a society would ever be as good an example of co-operation as the Society with unlimited liability.

On the subject of long term loans, I am not in a position to express an opinion further than this : that I do not see at present how any scheme that it is possible to devise for organised co-operation can apply to loans of that kind. I think they must be left to the State. But the short term loans required from day to day by every farmer large and small, rich and poor, ought to be provided for, and I think they ought to be provided for within the co-operative movements of the various countries.

THE HON W. C. MCKINNELL (Member Legislative Assembly, Manitoba): In Manitoba we have had a rural credit association in force for some six or seven years under the Rural Credit Act of Manitoba. The societies were formed for this reason : we found the wealthy farmer could go to the Bank to obtain all the credit that he wanted, but we had a lot of medium farmers, and even poor farmers, who were unable to obtain satisfactory credit. We wanted credit that would give us at least a year or two years ; so the Government put into effect the Act. Every member of a society puts up 100 dollars. The municipality in which the Society is formed—similar to your counties over here—puts up another 100 dollars, and the Government puts up 200 dollars. That is the capital on which the Society is formed. No society can have more than 50 members ; if there are more than 50 members, they form another society. The members elect three directors, the municipality or county elects three, and the Government appoints three, eight of these nine directors being farmers.

Now, the Government formed these societies for the purpose of breaking land and for the buying of live stock, which was supposed to need credit covering about a period of two years. But the money was very often put into implements or into buildings, instead of into the purpose for which it was originally intended. When the societies were formed we had inflated values in implements, stock and everything else, and the consequence was that the farmer in a number of cases got a bigger advance than he really should have done. The Government to secure themselves for the money advanced, had taken a blank mortgage over all he possessed and had that registered. They often found, when they came to realise on the assets of a farmer that there were other claims on them.

The more conservative society advanced a reasonable amount, and to farmers who put their money into breaking up where it was really necessary, and to these men the Government were able to give a little more time to repay principal and interest. They have come through. I do not know of a case in the district where I belong where a farmer, putting his money into live stock or into the breaking of land, did not return and pay 100 cents on the dollar ; but where he took his money and put it into implements or buildings, in very few cases has that money been returned.

The province at the present time has three million dollars lent out, 600,000 dollars under the rural credit scheme, and the only fault I can see in that scheme is that it started when everything was inflated. We

have found it very good, we are continuing it, the Government is amending it, making it a little more stringent, giving stricter supervision. The whole fault of the rural credit to the farmers in the province is simply the bad business methods of the farmers themselves. Everyone is satisfied with the principle ; and the practice will be extended I expect by a considerable amount. I can assure you I will go back with notes I have made here which will be of benefit to the province I have the honour to represent.

(Resolution put and carried unanimously.)

## *Co-operative Marketing.*

MORNING SESSION, TUESDAY, JULY 29TH, 1924.

*Chairman* : COL. SIR ARCHIBALD WEIGALL, K.C.M.G., President,  
Agricultural Organisation Society.

*Subject* : "The Co-operative Marketing of Agricultural Produce."

THE CHAIRMAN : Sir Daniel Hall yesterday gave three main reasons why co-operation in this country---and I am only referring this morning to co-operation so far as it effects the marketing of agricultural produce---had been fairly slow in its progress. I want to add a fourth, and to my mind a more fundamental reason. I have all my life been connected with farming in this country, both in and out of the House of Commons, and there is a reason connected with the House of Commons that appears to me to be fundamental, and it is this : that both the public and Parliament are overwhelmingly urban-minded. On every occasion that any agricultural question arose during the ten years I was in the House, so that economics and politics came into conflict, politics always won ; they always will win so long as you have got your Press and your Public with their minds saturated with the urban element of the country. Until you can make the people of this country understand that primary production has a real importance, not only in the national life but in their individual lives, your difficulties will externally always be very great.

There are also to my mind internal difficulties amongst the farmers themselves. Farmers in this country are individualists to the last degree. In establishing the National Farmers' Union, they did show that it was possible for them to combine ; they have become a great force in the agricultural world ; but it has been a political force, not an economic force. Now I hope they are going to swing to the economic field and show that they can inspire and stimulate and strengthen the co-operatively-minded of the farmers to deal with the disposal of their market produce.

In conclusion, I want to mention three items of co-operative marketing as it has appeared to us in the A.O.S., dairy produce, bacon factories and wool societies. There are some 60 dairy societies. I agree that is only a limited number. The N.F.U., as you know, instituted a system of collective bargaining in order to make uniform contracts. That has helped to stabilise the trade, but it has left the farmer in this position, that in order to meet the highly organised distributing forces his only weapon has been a strike. I would commend to the N. F. U. the suggestion that, whereas their collective bargaining system has gone one stage, a

very useful stage, in order to carry it to its logical conclusion, it will mean an endless number of dairy societies which will secure the farmer in a way that no individualist system of collective bargaining will. Next is the bacon factory. There are in operation to-day six in this country and there are four in formation. Again the difficulty is an internal one. Every bacon factory in this country must belong to our central selling agency, if it is going to be mutually successful in marketing its produce, otherwise you get into the most appalling difficulties of cutting each other's throats, and in the long run being submerged under the great wholesale organised societies. Lastly, the wool societies. There are only three societies in England to-day, one, the pioneer one, has had the most extraordinary success. The wool of their members is taken, it is divided into fleeces lots, it is all put in the depot, it is then all graded into various grades, sold on the London wool market on the 10 per cent. sample, and a small charge to cover commission is made to the farmer, who is getting the actual price that his wool makes on the London wool market. In practice he is getting at least 2d. per lb. more than farmers in the ordinary way.

I commend that to the N.F.U., and I hope that, having mentioned these instances, this Conference will realise that even in this urban, over-industrialised country there is a very big field to-day for the co-operative marketing of agricultural produce.

THE HON. CHARLES A. DUNNING: I believe I am this morning to address myself to the subject of The Co-operative Marketing of Farm Produce with particular reference to what is being done in Canada, and especially in Saskatchewan, the province from which I come. If therefore I appear to talk very much of Canada and Saskatchewan I trust the impression will not be conveyed that we think we are perfect along these lines in that part of the world. That is not the case, in fact one of the main objects of this Conference, so far as I am concerned, is to learn from others in different parts of the Empire what they are doing in connection with Co-operative Marketing of Agricultural Produce, in order that we may, if possible, perfect our methods in Western Canada. I will contribute as much information as I can, and I trust others will contribute something which will be of value to us.

In Canada one may say that Government assistance in co-operative marketing was primarily directed along legislative lines: the various provinces have from time to time enacted legislation facilitating the formation of co-operative organisations of farm producers for marketing, in some cases, specific products; in other cases generally. I think I may say that every province in Canada has legislation facilitating co-operative organisation for marketing purposes among farmers.

The outstanding features of such legislation are, first, cheap, easy incorporation: second, standardisation of methods, and third, the ensuring that the organisation when created shall remain co-operative in spirit, and not become an ordinary capitalistic corporation dominated by a majority financial interest. In these organisations the man, the producer, counts rather than the investment of the producer in the

capital of the organisation. I think I may say that this is characteristic of the forms of co-operative organisation in all of the various provinces of Canada.

It is not my intention to go into great detail about organisations in Canada, but just to give a few outstanding instances, for the reason that the very excellent publication made available for the Conference by Mr. Walter, a copy of which, I think, is in the hands of every delegate, contains full information regarding details with respect to practically all the provinces of Canada, and also of the rest of the Empire.

Another form of State assistance that is present in some of the provinces of Canada, and to a very great extent at times in Saskatchewan, is assistance by way of State management. I know State management of co-operative marketing does not sound very good at first blush, but I may say the manner in which it has been conducted up to the present time has been markedly successful in placing upon their feet co-operative organisations for the marketing of specific farm products, whereas in all probability if they had been left to tread the thorny road of ordinary experience themselves, the organisations would never have lived through it.

It is characteristic of the co-operative movement wherever we find it that the first class of individual in connection with it is what I might term the co-operative evangelist, the enthusiast who is imbued with the ideal, who sees fully the possibilities and who can arouse his fellows to organise. Usually, however, the evangelist is not the type of a man to look after the practical business of co-operation once the organisation is established. I was interested in listening to Mr. Smith-Gordon, of the Irish Land Bank, telling us quite unconsciously of his evolution from a co-operative evangelist into a hardened banker. Yet I would like to congratulate him upon that development, because as I see the co-operative movement—and I have spent a number of years in it now—our difficulty is we do not throw up enough men who have that capability of evolving from the evangelist, from the enthusiast into the practical man of everyday business, which is absolutely necessary for the successful management of any business whether co-operative or otherwise. I would suggest to Mr. Smith-Gordon, however, the desirability of halting at the present stage, because if it proceeds he is likely to become the General Manager of one of the Big Five banks, and thus lose his intimate connection with agricultural co-operation altogether.

The principle in Saskatchewan with regard to State management is this: in connection with many of the subsidiary products of the farm, products which are not to the farmer of first importance, not his "money crop," it is very difficult to get co-operative organisations to successfully handle such subsidiary products; for that reason we have in the Department of Agriculture a Branch known as the Co-operation and Markets Branch. Its object is to respond to appeals from one district or another for information respecting co-operative marketing possibilities in connection with any product of the farm. I do not mean to imply that the State is endeavouring to force co-operative organisation upon the farmers, or that the State is a co-operative propagandist, but rather that in the Department of Agriculture is an organisation which can give expert advice to any group of farmers who are imbued with the desire of co-operatively



marketing any product. The work has been very successful, but the problem speedily arose, especially in connection with what I call the subsidiary products of the farm, that the products were not of themselves of sufficient importance in the general scheme of things to warrant an organisation being created to handle them especially. For this reason the method was evolved, that the Co-operation and Markets Branch of the Department of Agriculture would undertake to market that particular product for these farmers co-operating for the purpose, not as a permanent undertaking however, but on the distinct understanding that just as soon as the product assumed a sufficient importance in the eyes of those producing it and was produced in sufficient volume to allow it to be done, a co-operative organisation entirely composed of the farmer-producers should undertake the work of marketing at first done by the Branch of the Department of Agriculture. Of course this evolution is not always easy. Whenever a branch of the public service undertakes this kind business, the tendency of the civil servant is to desire to improve the reputation of his Department and it is difficult to wean the institution away from the Department on that account. Another reason lies in the fact that it is human nature apparently to lean upon the Government as long as the Government will let you lean upon them. By starting right in connection with two products which have since assumed very great importance in our agricultural production these difficulties have been overcome.

The Chairman spoke of wool. I have in mind that wool in Saskatchewan was a subsidiary product some years ago, not considered as of any great importance in the general scheme of things. The Co-operation and Markets Branch commenced marketing wool co-operatively for farmers, gradually wool production increased, gradually the benefits of co-operation with respect to the marketing of it became known, and now for some three or four years the wool of Saskatchewan is marketed through the Canadian Wool Growers' Co-operative Association. Just as soon as the commodity reached a stage where it was good business to establish a *Co-operative* managed by the farmers themselves who owned the wool, to handle that commodity, that was done and it has gone forward from success to success. The same is true with respect to the dairy business in the province; before the Province was formed, when it was a part of the North West Territory, the Federal Government established Co-operative Creameries managed by the Dairy Branch of the Federal Department of Agriculture. When the Province was formed the Provincial Government had to take over the baby. It was not a desirable thing apparently from the point of view of the relationship of the State to co-operation, but the industry was in the developing stage—dairying was not then of great importance to the farmer; he was in it one year and out of it the next, he could not be persuaded to pay the business attention to dairying that he paid to his "money crop"—the Government carried on the agreements for a number of years, and gradually by a process of education through the Dairy Branch of the Department, dairy production grew, and about seven years ago the Dairy Farmers said "Now we think we are ready to undertake the management of this enterprise ourselves," and so the Saskatchewan Co-operative Creameries

elevators, that means 425 local organisations of farmers, each of them grouped around the particular facility for handling their grain in which they are interested. The storage capacity of their country storage houses is 12 million bushels. In addition as time went on it was found necessary for the institution to own terminal elevators, what you would call in England silos, at the ports, to own appliances capable of treating damaged grain, hospital elevators, and they have at the present time over  $6\frac{1}{2}$  million bushels of capacity in terminal and hospital storage. In addition last year they leased from the Canadian National Railway System owned by the Government of Canada, a large terminal elevator, I think the largest in Canada, of  $7\frac{3}{4}$  million bushels capacity; so that they have at the head of the Lakes to-day 15,175,000 bushels of capacity for storing their grain, and out of a total capacity at the port of around 60 million bushels, 15 million bushels, or one quarter, is owned by the organised farmers and operated by them.

You may ask about patronage dividends. You want to know, of course, if the concern has been really co-operative. Well, in that regard, legislatively it may be, but as a fact the necessity of meeting the payments due the Government from year to year, making provision for them, and making provision for the further extension of facilities at the ports, has prevented the payment of what we call patronage dividends. I want to show, however, that the industry as a whole is better off by reason of having the patronage dividends kept in a lump and used to further the benefits of the institution by the creation of more facilities, than they would have been if the dividends had been distributed from year to year. The right, however, exists in the legislation for the institution to distribute profits co-operatively if and when it desires to do so: it is absolutely free in that regard. Up to the present, however, the necessity of developing further facilities has prevented any patronage dividend. I might give some few figures showing what advantage has been gained.

The shareholders, as I say, paid in 15 per cent. of the total subscribed capital, 4,422,000 dollars: the depreciated value of the assets of the institution is 6,647,000 dollars. The shareholders put in about 700,000 dollars of actual cash. By the investment of their profits from time to time in further facilities, the repayment of indebtedness due to the Government, they have built up capital assets of 6,647,000 dollars from an initial cash investment of less than 700,000 dollars. The only creditor is the Government, and the amount unpaid but not yet due is about two millions. Since the inception of the institution in 1911 it has handled 335,000,000 bushels of grain, and this present season over 50,000,000 bushels of the Saskatchewan crop will pass through the co-operative system.

What has been the effect upon the industry? Has it been good? That is the most difficult thing to prove, the benefits to the individual in dollars and cents of co-operative marketing; if a co-operative raises its prices to the producer because the market warrants it, the competitor does the same; that is natural, that's business, and then, of course, he says to the co-operator, "Now what good is this institution to you? I am paying the same price." But, of course, it is difficult to find out what he would be paying if the co-operative were not there. In the early days of the

institution it was possible to demonstrate on some occasions, because we had only a few elevators to start with, and we were able to compare the prices being paid by our competitors at the points at which we had elevators and the prices paid by them at other points where we had not elevators, so in the early days it was fully possible to demonstrate the actual gain to the farmer. As the system extended and became represented at most points in the province, naturally traders saw to it that this weapon was taken out of our hands. If our Price List in the province of Saskatchewan generally is at a certain figure, one can rely upon it that the others will not be very far away, but fairly close to it; but the farmers generally seem to be able to understand that the co-operative really compels the private trader to pay fair prices.

In regard to the relationship of the State, may I say this, that in 13 years the Company has met religiously on the dot every dollar of its obligation to the Province. A Government guarantee of credit was necessary in the earlier years because, of course, the Government held all the security. There was no security to give to the Bank except the commodity itself, and of course a margin was required. In those years a Government guarantee was given; for the last five years the concern has been able to get a larger credit than any grain concern in the Canadian grain business without one dollar of Government guarantee.

Naturally the success of that plan in relation to grain led us to consider the application of the same general principle with respect to other commodities, so when the creameries were turned over from State management, which I mentioned a few moments ago, to the management of a co-operative concern, it was organised on the same general principle as the Saskatchewan Co-operative Elevator Company. Thus we have to-day the Saskatchewan Co-operative Creameries Ltd. operating on the same general principle. I cannot point to the same record of unbroken success in regard to the creameries, but I am more hopeful about them now. Whatever difficulties have occurred were difficulties connected largely with the deflation in values of dairy products during the years immediately following the War. I suppose there are many here who had experience in handling dairy products at a time when the slump came—I do not know if there was a slump in this country, but we had an awful one. While the creameries have been passing through a difficult time there is every reason to hope that their success from this time onward will be, as it was during the few years following the inception, equal to the success shown by the grain institution in relation to its business. One must remember that is much easier to interest the farmers in co-operation in grain marketing in Saskatchewan than it is to interest them in dairying co-operation. Grain is the money crop, dairying is just getting into its stride so to speak, but more and more every year farmers are interesting themselves in dairying, and there is, I feel sure, a bright future for the application of the co-operative principle to it.

Another form of State financial assistance which may not commend itself to you, but which I give for what it is worth, is in connection with co-operative stockyards. The producers of cattle for beef purposes complained bitterly for many years at the conditions prevailing in stockyards which did exist, and also of the very meagre stockyard provision

which was made by the Railway Companies and those interested in the trade. The problem was a very real one, and finally an attempt was made to solve it by the formation of two co-operative organisations to control stockyards, one in the Northern part of the Province, and one in the South. Study of the subject showed very plainly that it was not possible or at least was not likely, that co-operative stockyards could be profit-making institutions if they fulfilled the function of providing proper facilities with full liberty to farmers to use them. So it was decided in that case that if the farmers would themselves organise a co-operative stockyard, put their money into it on the same general principle as the other, that the State would in that case, not make a loan, because of the little prospect of its repayment, but would make an outright grant of one third of the cost of providing the facilities, because of the peculiar nature of the business. Here I would like to point out that one cannot adopt any general principle which applies to one commodity and say *ipso facto* it will apply to all. It will not. Each commodity requires to be studied separately. The farmer is always the same in his beautiful diversity, you have always the same human materials to deal with. I have no hesitation in stating that if we had made a loan to co-operative stockyards instead of a grant, no interest would ever have been paid on it, and the principle would never have been repaid, but the value of these co-operative stockyards to the stock industry cannot be over-estimated, because it provides in the Northern part of the Province and in the Southern part a free market under the control of the producers themselves for the handling of their stock.

I referred to the advantages and disadvantages of help being given by way of State management. Now I want to refer to the advantages and disadvantages as we see them of State financial help. There are not any disadvantages so long as there is no trouble, but the moment trouble arises, as was the case with our Co-operative Creamery enterprise when it lost money, they quarrelled among themselves as co-operations always will— I sometimes think that ability to quarrel must be part of the spirit of co-operation, because it always happens—naturally they all said “What is the Government going to do about it?” There is the disadvantage of Government assistance: unless your Government possess a stiffer neck collectively than most politicians do, it is possible for very great political pressure to be brought to bear for the State to assume part of the financial burden brought about by something which the Co-operative institution itself was wholly responsible for. Of course I was speaking as a Prime Minister just now, and I have an awful stiff neck; but I think the Co-operative Creameries shareholders in Saskatchewan will agree to-day that the refusal of the Government to hand out money to the institution, but just merely to stand by, was the best thing that could have happened to them at the time when they were facing such difficulties. I feel as certain to-day as I felt then that to have spoon fed that institution during the crisis would have meant its death ultimately I offer that for what it is worth.

There is now in Western Canada a new development in co-operation about which you will hear probably a very great deal in the near future. In spite of all the progress that has been made in co-operative work the

farmers have not been fully satisfied of the application of the principle, because it rested upon the same general idea as the consumers' co-operative organisation rests upon in this country ; that is to say, in the control of the product and sale of it as a merchandising proposition by the co-operative, and the return by the co-operative to the individual of the market price of the product at the time of individual sale and also of dividends. We are the last to feel the benefits, if benefits there be, of inflation, and the first to feel the disasters of deflation. Consequently the price of everything we produce, and I think I can speak for the agriculturists of the whole world when I say this, has gone down practically to pre-War levels, and in some cases below, while the prices of everything of which we are consumers, including labour, remain considerably above pre-War prices. The whole of the world is intensively organised. Labour is organised to-day to get a living wage ; capital is organised to secure a return upon the capital invested, and nearly all industry takes some raw material at a price, manipulates it or manufactures it and sells it to somebody else at another price, and as a consequence has a very great deal to say, particularly in these days of combinations, as to what the spread shall be between the cost of the article to them in the first place, and the price demanded from the public. The farmer is the one man in all creation who when he buys says, "What is the price ?" and when he sells asks exactly the same question. Other industries when they buy have something to say regarding the price, and certainly when they sell have a very great deal to say about it.

Our farmers in Western Canada have become impressed with that, I might almost say obsessed with it, during the past few years, and they say briefly this : our present co-operatives do not change that situation, their method of dealing with our produce does not change that situation, the only difference being that instead of the individual farmer going to market and saying, What is the price ? the Co-operative goes to market and says, What is the price ? So the farmer has been saying, somehow we must change that. In all the turmoil of agitation this idea has evolved—I give it to you for information—that the farmer must in some manner in the sale of his products have the advantage of mass selling which is enjoyed by every other industry, and he must attain that advantage co-operatively. Having once decided upon that as the objective, the rest is a matter of technique as to how it shall be attained, but certainly our farmers are determined in order to meet the conditions which prevail that they must have the advantage of mass selling. In Saskatchewan there are 100,000 sellers of wheat under our present system. Over in England here, and in France, I learn that the buyers of wheat for milling purposes are more and more getting together. I do not understand how it is possible for the world to imagine that the price of everything that is produced should go up, the price for a man's labour, for his capital, and that the price of food shall not go up. I cannot for the life of me understand it. But there is a powerful regulator against unreasonable combination by farmers. The vacant spaces of the world can be brought under cultivation. There is a safer regulator in the farming industry than there is in any other industry in the world ; political regulation is required for industry generally, but the natural economic law rules the farmer ; if his

industry becomes more profitable, more men come into it, and there is lots of land in the world which can be put under crop. The consumers need not be afraid of a farmers' combination; the natural economic law will take care of our tendencies to abuse our powers. Of course we have the same tendencies as other people. We will get as much as we can for what we produce; power is no safer in our hands than it is in the hands of any others, when it is a power which is almost monopolistic. But fortunately there is a check upon it which does not exist in connection with any other industry that I know of. So there has been evolved the pooling co-operative method of marketing wheat.

I know to English co-operators it will sound drastic, and you will wonder why men would submit themselves to the harshness of the provisions. I will tell you the reason. You cannot go on year after year losing money on your farm and getting deeper into debt; there is only one end to that, your mortgagee will put you off. So half the farmers of Saskatchewan, more than half the farmers of Alberta, and nearly half the farmers of Manitoba have banded themselves together in what is called the Co-operative Wheat Producers, Ltd., for the purpose of marketing their wheat—they are not touching any other grain at present, just wheat. They bind themselves each one in an iron-clad contract to turn over to the pool every bushel of wheat they produce for sale for the next five years. There is nothing in the contract regarding what the pool will pay them for it, that cannot be determined. The pool, composed of themselves, merely agrees in the contract to make an initial payment when the wheat is delivered, to sell all the wheat of all the farmers to the best advantage, and then to return to those producing it *pro rata* any balance remaining on hand over and above the initial payment.

That briefly is the scheme. As to the merits of it only time can demonstrate. I am not disposed to criticise it because it is a *bona fide* attempt to solve a very real problem through the medium of mass selling and averaging the price returned. The relationship of the State to it is very slight indeed: one of the principles upon which it is based is that there shall be no politics about it. I have said many times that politics and co-operation will not mix. Any man who in a co-operative organisation attempts to get it to exercise its influence for a political object, is an enemy of co-operation consciously or unconsciously, and, speaking as the head of a Government, I say he is no friend to the Government either.

In Alberta the wheat pool has been operating for one year. In Saskatchewan it comes into operation this year, and in Manitoba also; so that this year for the first time more than one half of the wheat produced in the three provinces of Western Canada will be controlled by an organisation of the producers themselves. Consumers here say, Will it put the price of bread up? Maybe it will, but nobody consulted the farmer when they put up the cost of everything that enters into the cost of wheat production. I do not know why it should be an axiom that the price of everything a farmer produces must be kept down, while the price of everything that everybody else produces must go up; I cannot understand why that should be an axiom in this old land or anywhere else. Everywhere I go they tell me "Oh, but that will increase

the price of food." Well, everybody who is eating that food which the farmer produces is getting more as the reward of his labour than he did get a few years ago ; why should the farmer be the only man who is not to share in the general rise in the value of commodities ? I do not know much of economics, but that strikes me as a most ridiculous proposition. Price will respond to general economic laws whether or not we try to control them. If farming does not pay, men will not go into the farming industry in sufficient numbers to produce enough food for the world to eat. When there is not enough food in any particular year the law of supply and demand forces prices up. In order to get cheap food for the consumer you must have a prosperous, happy and contented farming population in the Empire. If you have not, there is only one result.

The new pooling organisation passed over the Province like a wave ; the farmers joined it by the thousand. There are over 50,000 of them tied up by an iron-clad contract for five years agreeing that to the extent to which they break that contract by marketing any of their grain elsewhere, they will forfeit 25 cents a bushel by way of liquidated damages. That is pretty stringent, but they mean it. In order to secure the necessary 50 per cent. of acreage which the promoters of the pool believe to be necessary in order to guarantee the success of the scheme, it was found they would require funds to complete the organisation, and, of course, they came to the Government. I suppose that is one of the disadvantages of the head of the Government being a known co-operator. The Government considered the matter and decided that it would not be a sound principle to give this co-operative organisation any money; but we did realise also that when it was so near completion, the lack of a few thousand dollars could not in the general public interest be allowed to stand in the way of the completion of the experiment. So a loan was made—I think about 30,000 dollars—in order that the experiment may be carried out. The loan is a first charge upon the wheat handled by the pool when it starts to function. That is the only State assistance given by the Province in connection with the new pooling method. I think it will work successfully, provided the farmers can throw up from among themselves the kind of brains that can handle it. It will be the biggest concern of its kind that ever has existed in the world ; it will control more grain than ever has been controlled by a single organisation ; and that organisation is altogether a producers' organisation, returning no interest on capital, and financing purely on the commodity itself. There will be no difficulty at all about it getting credit, because the initial payment is, of course, always below the present market value of the grain. We are looking forward to a considerable development along co-operative pooling lines.

**THE CHAIRMAN :** The Resolution now before the meeting, which has been moved, in spirit at any rate, by Mr. Dunning is :

**THAT** a complete system of co-operative marketing of agricultural produce involving the group pooling and regulation of supplies is necessary if producers are to secure fair returns from their produce.

Mr. R. A. ANDERSON (Irish Agricultural Organisation Society, Dublin) : I only wish I could bring the Prime Minister of Saskatchewan to Ireland to give a little consideration to the people there. All that he said applies just as truly to our country as it does to Saskatchewan, and I think that if it would be possible to give the substance of his admirable speech to the farming public, not only in Great Britain, but also in Ireland, it would be conferring an inestimable benefit on the people for whom he has spoken so eloquently to-day.

As regards the marketing of farm produce in Ireland at the present time, I can only say its condition is chaotic, and that the only people who seem to be satisfied with it are the middlemen ; they apparently are making a good thing out of it. As in other countries, the farmer is not getting the full profit from his labour ; meanwhile the consumer is complaining of the bad service that he gets and the high prices that he pays.

The successful marketing of agricultural produce on co-operative lines is by far the most difficult problem which confronts the organisers of co-operation. Between the producer and the consumer are interposed numerous agencies, mainly owing their existence to the absence of organised joint action for sale by the former and, to some extent, to the failure to organise a scheme for joint purchase and distribution by the latter. These middle interests are both rich and powerful, and their opposition to any scheme designed to take the business out of their hands will be strenuous.

The first and simplest state in agricultural co-operation has only been arrived at when communities of farmers have been induced to form themselves into co-operative societies to buy and sell in common through their societies rather than individually. But the limitations of such societies are soon reached. Very few can, in practice, operate over a sufficiently large area to transact "big business" on their own account. Even those societies which are large enough to send their members' produce in bulk to the market cannot hope to make much impression in markets in which the price of their products may be depressed by the unregulated competition of other societies. To give a co-operative sales federation any real advantage over the ordinary merchant, all the products it deals with will require to be carefully graded and standardised, so that where the buyer purchases from a sample he may not be disappointed in the bulk. Unless the sales federation can establish such a feeling of confidence in buyers, it cannot expect to obtain the top market price for the commodities it handles.

Obviously, this grading and standardising cannot be economically done at one great centre or even at a few lesser centres ; it must be done, at first, under strict and impartial supervision, by societies at the source of production, in order to eliminate the expense and delay of re-handling. Such grading and standardising must be done under expert supervision. The Ministries of Agriculture, both in the Free State and in Northern Ireland, are about to enforce regulations both as to quality and mode of packing for eggs and for butter, by a very thorough system of instruction and inspection ; and only those shippers who conform strictly to the regulations laid down, will be entitled to use a Government brand on the



produce they export, and they may be prohibited from exporting in the event of non-compliance. Here, it may be said that a Government brand, implying a guarantee of quality, will in itself be sufficient to command for such produce its full market value. But neither of the two Governments in question proposes to control the actual sales; and if a number of co-operative societies, even though all are entitled to use the Government brand, put their produce on the market independently, their competition will in all probability take the form of underselling each other. This danger can only be avoided by federated sale through an agency whose business it is to see that all its members obtain the full value for their produce.

The maintenance of the quality of the produce is, of course, the most important consideration; but even the best produce may be seriously depreciated in value if the packages in which it is sold either lack uniformity or present an unattractive appearance. In common with every other trader, the farmer will have to give more attention to "window-dressing," always bearing in mind, of course, that the contents of an outwardly attractive package of butter or eggs must never belie its appearance. The trifling extra labour and cost involved by scrupulous attention to these important details will prove a most profitable investment in a very short time.

The introduction of National Brands by the two Irish Governments under the proposed stringent conditions is a great step in advance, but their full advantage can never be realised while the present unorganised method of marketing exists. Its place must be taken by a national co-operative sales federation controlled by the societies, and yet exercising itself a complete control over the marketing end of the federated societies' business. Without such a federation the national brand might conceivably do more harm than good.

The successful marketing of such produce as grain (chiefly oats and barley), bacon, dressed meat, flax, wool, etc., must depend upon the care, skill and honesty with which the grading is done at the local societies. So far, the Free State Government has put forward no proposals for regulating the export of these commodities and therefore, in the first instance, the essential grading and standardisation must be undertaken by experts employed by the federation. The provision of expert graders will present some difficulty. Suitably qualified persons would command such salaries as could not be paid, unless the quantities of produce handled were considerable, and, moreover, their services would only be required for a short time each year. Finance also enters into the question. Dairy farmers are accustomed to give their creameries a month's credit, and sometimes more, for their milk payments, but grain, potatoes and wool are customarily sold for cash. Until the new system has been demonstrated to be an improvement on the old, farmers would probably stipulate for substantial payments on account. Even with a thoroughly well equipped federation, the marketing of these commodities will prove no simple matter, while to an ordinary farmers' society it would be disappointing in its results, if not indeed impracticable in execution.

In a country so small as Ireland, it does not appear to be necessary to resort to the American plan of organising the sale of each commodity

separately. Apart from butter and eggs, there are few products of the farm which exist in sufficient volume to justify the establishment of a special selling agency, while butter and eggs may be bracketed conveniently together for sale. Any co-operative federation for sale must obviously be departmentalised in such a way as to deal effectively with each and every commodity. This will necessitate the employment of a thoroughly efficient head for each Department. The co-operative sale of live-stock will certainly demand a specially organised sales agency for itself when the time comes.

One of the main advantages of this plan is that the trading capital of such a federation can be used whenever and to whatever extent it may be required by each of the Departments in turn. There is a still greater advantage in having only one suitably departmentalised trade federation. In Ireland the I.A.W.S. acts as the agency for the joint purchase of the federated societies' requirements as well as for the joint marketing of their produce. This being so, the federation can work largely on contra accounts, and thus, to some extent, dispense with the necessity for the very large trading capital which would be required if its operations were confined solely to selling agricultural produce and paying the producer in cash. In dealing with farmers, a longer credit is necessitated than is the case of industrial workers. Money only comes in to farmers when they have livestock or produce to dispose of, but all the time they have to meet the current demands for wages and household goods, as well as for rents, taxes, etc. when these payments fall due, whereas the income of the industrial worker comes in regularly.

It has always been the custom in Ireland for farmers to purchase their seeds, fertilisers, farm machinery and implements in the early part of each year and to pay for them after harvest. This custom is changing gradually, but it still obtains very generally. It will only disappear altogether when the farmer has been convinced that it is to his advantage to do all his selling as well as all his buying through his local society, and when the societies themselves deal similarly with their trade federation.

The necessity for sufficient trading capital or, in its absence, the command of an adequate credit at a reasonable rate of interest, can never be altogether eliminated. For example, the purchase of agricultural seeds must be arranged for early in the Autumn, and the best terms can only be obtained by payment in cash at the time of purchase of the greater part of the price, and this involves the locking up of capital for at least six months. The question of price is, of course, an important one and has been too often, unhappily, the determining factor with the farmer when buying his seeds. No substantial reduction in price, consistent with the maintenance of a high standard of quality, can be expected unless stocks are purchased early. By early purchasing for cash the buyer naturally gets the pick of the market.

This lengthy reference to joint purchase may appear to be a digression from the main subject, but, as is elsewhere pointed out, in a co-operative trade federation for sale in these islands, joint purchase ought to go hand in hand with joint sale.

One great difficulty has to be confronted in Ireland, especially in butter

and milk products—the maintenance of a continuity of supply. There is very little winter dairying at present, and having regard to the growing labour difficulty (workers not unnaturally dislike any employment which involves very early rising, together with a week of seven working days), there does not seem to be very much prospect of any rapid or considerable extension of winter milk-production. Denmark has solved the problem and has been able to equalise production all the year round. But Denmark is mainly a country of small holders in which the labour difficulty is practically absent. Australia and New Zealand, and now the Argentine, are sending grass-produced butter in large quantities into Great Britain during the winter months.

With eggs, the export value of which from Ireland considerably exceeds that of butter, the problem is not so difficult, and an all-the-year round production ought not to prove an impossibility if poultry keepers are afforded the necessary instruction and can be stimulated to act upon it by the incentive of a steady market at a remunerative price. Here again, the co-operative federation can render service, not only by finding good markets but also by supplying the organised poultry keepers with suitable feeding stuffs at wholesale prices.

The essential for the successful working of a co-operative trade federation for sale may be summarised as follows:—

1. A guaranteed supply of the products to be marketed, properly graded and standardised.
2. Organised production by local societies of producers.
3. A co-operative constitution alike for the local societies and their marketing federation.
4. Expert management.

The Industrial and Provident Societies' Acts, in the absence of more appropriate legislation, contain such necessary provisions as the limitation of liability, the equitable allocation of surpluses—too often erroneously described as profits—the right to sue for recovery of debts, to make contracts, and the practically unrestricted power to engage in all lawful business. This power to make contracts is of the very greatest importance. I hold it is one of the main essentials of successful marketing in this country, to make contracts with the producers who bind themselves formally to the observance of those contracts. It is not mere theory, it is the practice all over the world wherever co-operation has been successful. In Denmark we find that the bacon-curing factories, the creameries and the farmers, are bound under very stringent obligations to support their concern, and this step is taken to ensure the loyalty which might not otherwise be given to the associations in order to ensure their success. These Acts also confer on the members very wide privileges and powers in regard to inspection of accounts, the summoning of Special and Extraordinary Meetings and the right to call for investigations into the affairs of a society with whose conduct of its business members may be dissatisfied. Finally there is in the Co-operative Society, with its "one man one vote" principle, an absolute safeguard against its absorption by an envious trust or ring. That is a very real peril and one to which any joint stock company is exposed.

There is another great advantage in the co-operative form of organisation, an advantage which has been touched on by Mr. Dunning and other speakers, and that is that the value of the shares in co-operative ventures always remain at par, at all events it does not go above par, although it may go below ; but there is no trafficking in these shares, no Stock Exchange quotation for their stock, no possibility of the share capital of a concern being bought up by a number of scheming members of a ring which desire to acquire the business as carried on by the Society : it cannot be done, because of the principle of one member one vote, and the man with one share has as much power as the man with 200.

There is just one thing more I would like to say to you. I learnt a great deal of what I know, and every day I am beginning to realise how little I do know, from a man who I wish had been here to-day, that is George Russell, the Editor of the "Irish Statesman." His reputation is not quite the same as the reputation of the Prophet of old, because his reputation is as high in Ireland as it is all over the world, and deservedly so, because that man has in season and out of season for the last thirty years preached the gospel of co-operation to the people, and if they do not appear to have learnt it, I believe the teaching has got into their souls, and that some day or other you will see the co-operative movement in Ireland coming into its own. At all events we can claim one little distinction, and being a vain people rather, perhaps we like to mention it ; it is, that England waited till Ireland moved, and so did Scotland and so did Wales, in this matter of co-operation. We in the Irish Agricultural Organisation Society were the pioneers of this work—I have been connected with the movement for 35 years—and it was hard work and it was jealously watched ; but I do not think any one of us who has taken part in this work regrets what he did, or the temporary set back to our hopes, or regrets the disappointments. We were learning all the time, every day, and I have learned more this morning from listening to Mr. Dunning's speech than I had hoped to have learned all the time of my stay in London. I hope to bring that from Saskatchewan to Ireland, and tell the people there what the Canadians are doing, and ask them if they possibly can to go one better. I have great pleasure in seconding the adoption of the resolution.

**THE CHAIRMAN :** A question has been sent up for Mr. Dunning to answer. This is the question :—Precisely what defence does Mr. Dunning make of the principle which his Government has so widely accepted of financing farmers' enterprises which are operating in competition with private traders ? Why should not co-operative enterprises raise their loan capital in the open market in exactly the same way as any other business concern ?

**MR. DUNNING :** That is a very thoughtful question. I would justify what we have done on the ground that good government consists in keeping always in mind the greatest good of the greatest number, and 72 per cent. of the Saskatchewan people are on the land. The agricultural producer is the main element ; and I will say this for the other elements, they one and all recognise that their prosperity is absolutely

bound up with the prosperity of agriculture. May I suggest that the justification for the application of that principle elsewhere can only be a recognition of the importance of agriculture to the general well-being. If the importance of agriculture to the general well-being of the State is not recognised in a country to the same extent, then of course you cannot justify placing at its disposal the credit of the State for its co-operative enterprises. I can say also this: The Province of Saskatchewan has never lost one dollar in standing behind agricultural co-operation; the taxpayers have never lost a dollar. Of course the private elevator interest did not like the Province of Saskatchewan placing its credit behind the farmers to enable them to market their own grain; but, as a matter of principle, who should have the right to market the produce of the farmer if not the farmers? That is the only ground of defence that I have in that connection.

THE CHAIRMAN: Perhaps I may be allowed to thank the Questionnaire, whoever he is, because it is the most glorious example of the necessity for attacking the urban-minded community of this country. There is also the other answer, that if the co-operative society has to go into the ordinary money market for finance, they can only do it by sacrificing their co-operation.

MR. T. W. MERCER (Co-operative Union, Manchester): Inasmuch as the development Mr. Dunning speaks of depends upon the assistance of a sympathetic Government, does he not think it necessary for co-operative societies to take political action in order to make their needs known?

MR. DUNNING: In regard to political action I would distinguish carefully between political action and Party political action. I should have distinguished more carefully in that regard. I believe that Party political action is fatal to co-operation. I may be wrong, but you asked for my opinion. I believe that, if the spirit of co-operation is strong in a country, if the people are imbued with it, it will find its reflection in the minds of men that are sent to Parliament whatever their Party. You will have no trouble with an unsympathetic Parliament provided the groundwork of co-operation is well laid among the people. God help a Government in Saskatchewan that was not sympathetic to co-operative enterprise! No Government in Saskatchewan, of whatever political Party, in the present mind of the people, could be opposed to co-operative effort on the part of the producers. It is a matter of public opinion rather than politics.

MR. MERCER: I am much obliged to you for answering my question. The organised co-operative movement in this country has been compelled to take political action to secure economic benefits. If this large scale co-operative development now taking place in Canada is repeated here, to the end that the organised farmers may secure monopoly prices for their products, does Mr. Dunning not think the result will be to evoke anti-Trust legislation in a democratic country?

Mr. DUNNING : Quite possibly. I am prepared to cross that bridge when I come to it. I spoke only in an economic sense when I spoke of checks which existed on agriculture. There is no danger of agriculture successfully forming a monopoly to increase the price, for the reason that increased agricultural production is so easy. I understand from the English papers that the Labour people are able to keep down the number of people engaged in the building industry ; I do not know whether that is true. Well, no means have yet been devised whereby we can prevent a man taking up farming if he wants to do so. Let me remind you of the raisin illustration. They had to pull down the price. There is the real answer in an economic sense. In a political sense I have no doubt at all that the modern farmer can be organised in the same manner as everybody else is organised, and attempts will be made by everybody else to prevent them being organised politically. I realise that what my friend says is a possibility of the future ; but a great deal will depend upon the wisdom of the farmers themselves in handling their organisations in the transition from the evangelical state of the movement to the practical side.

Mr. FRANKEL (South Africa) : I would like to ask Mr. Dunning if he can give us any real indication, or prove to us that the cost of marketing is less under co-operative control than when the marketing is carried out under the stress of ordinary competition. If there are no such indications, I am to understand that all Mr. Dunning advocates is that the farmers are to benefit by a monopoly price.

Mr. DUNNING : The figures I quoted here with reference to the Saskatchewan Co-operative Elevator Co. offer one practical answer. The farmers themselves, by paying in 1,100,000 dollars in the course of thirteen years, through the handling of their produce and accumulated dividends, have acquired a property which now at its depreciated value is worth 6,650,000 dollars ; there is that definite saving. Then the Co-operative has raised the price to the farmer. A comparison of the price lists of the North West Grain Dealers' Association, comprising all the private traders in grain, and the price lists of the Saskatchewan Co-operative during the years 1911-1916, the period of my own active association with the Company, will demonstrate that the farmer did receive under his own price list an average of more than 2 cents a bushel more for his grain than the North West Grain Dealers' Association price list gave him. That does not mean he can always get 2 cents more from the Co-operative than the private traders, but it is the average. Furthermore, the North West Grain Dealers' Association price list is no indication of the price the North West dealers would have paid the farmers if there had been no Co-operative. Then as to economy, I can say this as a man who has been engaged in pretty big business ; there is no doubt as to the economy to the owner of the product of mass handling ; it is a simple economic fact. If I can, through the Co-operative Elevator Co., handle 50 million bushels of grain, the overhead charges distributed over that 50 million bushels of grain represent a definite advantage to the producer, compared with practically the same overhead distributed over 20 million bushels ; that is a simple business fact.

**A DELEGATE :** Is it not practicable for the farmers of Saskatchewan to organise to cheapen the cost of everything they have to buy ? Numbers of farmers in this country, especially in Wales, co-operate to buy their implements through wholesalers. Would that not help the Canadian farmer ?

**Mr. DUNNING :** There are at the present time 420 Co-operative Associations of farmers in Saskatchewan for the purpose of making their purchases in a wholesale way and distributing goods direct from the car at the railway sidings, instead of having the expense of paying the wholesaler and the ordinary small middle-man their profits. Where the farmer can become the wholesale purchaser, very much is being done, although frankly I am more hopeful of the economic results of improved marketing than I am of savings in that direction.

**Mr. E. J. NEWTON (Australia) :** As an 18-years' co-operator who has had much experience in watching the sale of cattle fodder from one of the large districts of Victoria, and one who has had also some experience in the marketing of other commodities, I wish to convey to Saskatchewan through Mr. Dunning my hearty congratulations from Australia. Saskatchewan has gone a remarkably long way in activities that can benefit the producer. The time is too short for me to give you anything like a resumé of the activities of the co-operative movement in Australia ; but we have in many directions gone even further than Saskatchewan. I agree that the essence of the success for any co-operative body is the loyalty of the members, but I translate that word "loyalty" into "belief." Out in Australia our success has been won by constant, persistent driving of one fact into the head of the producer, and that is, that a commodity which he produces is the medium of his faith, that under control it becomes the medium of success for him, whereas placed outside the control of the farmers' body it becomes a weapon of the markets of the world which may be turned against him. If you will translate the word "loyalty" into the word "belief" or the realisation of the farmer's produce as the medium either for prosperity or failure, then you have it.

Every day in Australia our co-operative faith is growing. We established co-operative butter factories ; but this still left the other fellow, the middle-man, the private agent, with an article which was a speculative medium used against the producer's interests. So the creameries got together and formed large co-operative selling societies ; there are two in Queensland, three in New South Wales, three in Victoria, one large Company in South Australia, and a very large Company in Western Australia which also handles all commodities for the Western Australian Farmers' Union. In addition to that we have co-operative wool associations and co-operative wheat associations, although they have not been a success in Australia, at least not so successful as in Saskatchewan. We have a Fruit Growers' Association in Victoria, and in South and West Australia these are federated together, and they carry out the cooling and transport of the fruit to the seaport and the sale of it through to the sale in London ; they have their own representative here in London watching the sales, seeing that the apples arrive in good condition and reporting.

The big co-operative butter institutions also have their own control here in London; they employ an agent, but only in consultation with and practically under the control of their own officers, who watch the sales, watch the marketing of the article, and so forth.

Mr. Dunning referred to that eternal question, why must the price of the article the farmer sells always be kept down, while the price of everything he is asked to buy is raised? You are not alone in Saskatchewan in asking that question. Yesterday I received from Melbourne a little pamphlet which is an attempt to urge some consideration of that question, containing the report of the proceedings of the whole of the co-operative bodies of all the States of Australia to form a board of control in the butter industry which will regulate Overseas selling. The reason they are taking that action is this: they are saying this, we have to export our produce to Great Britain and European countries who want it, yet for every pound we put out we are dependent for our price upon international happenings in Europe which we are told cause these fluctuations in the market. If they can possibly achieve it, they are going to have a Board of Control which will exercise functions here as well as in Australia.

Dr. A. G. RUSTON (University of Leeds): I should like personally to express my deep indebtedness and gratitude to Mr. Dunning for his excellent speech this morning. I feel what is wanted in England to-day is a man of Mr. Dunning's calibre. We want a man who will get to grips with the problems. We have been tackling co-operation for some considerable time, but, as far as I have seen, more on the buying side than on the selling. It is co-operative selling which is wanted, and it is not co-operation for the sake of co-operation. Co-operation is not an end but a means to an end, that the farmer should be able to get a fairer share of the price paid by the consuming public for the thing which he himself has produced.

Let me give you one or two examples which have come to my personal notice quite recently. I have under my observation some 62 farms in the whole of Yorkshire of every type. We have had our slump in England as you have had in Saskatchewan. On those farms, two years ago, there was an average loss of £2 8s. 1d. an acre, or over 17 per cent. of the capital invested; last year an average loss of 16s. 4d. or over 7 per cent of the capital invested. I say without fear of contradiction that when the farmer can get, by co-operative selling, a fair share of the price paid by the consuming public, 75 per cent. of these troubles will be eliminated altogether.

The big loss last year was potatoes. The cost of growing potatoes on one farm was £3 4s. 6d. a ton; I was on the farm when these potatoes were sold on rail at 30s. a ton. I saw those potatoes at that time selling in the Leeds shops at 1s. a stone or £8 a ton. Now that is 30s. for producing and £6 10s. 0d. for despatch and sale. It is wrong, absolutely wrong, and a thing which wants putting right more than anything else.

In Denmark I noticed eggs were selling at 1s. 4d. a dozen. That was the price being paid by the collecting stations for eggs to be sent into the English market. I came back and what did I find? My own men,



the men whose farms I am watching very carefully, receiving not 1s. 4d., but prices varying from 10d. to 1s. It is organisation that is wanted.

I have in my pocket a very curtailed balance sheet of one of the Danish bacon factories, and I find that the cost of handling those pigs worked out at 6s. 6d. per head. Those pigs were going to the English market, pigs of as nearly as possible 11 stone dead, and that 6s. 6d. covered the cost of getting to the factory, killing, curing and getting on to the wholesale market, 6s. 6d. a pig, 6d. a stone, less than a halfpenny a pound. If I go to one of my own farms and want to get a man to come and kill a pig—not cure it, not market it—it will cost him over 6s.

Then there is the other side of the problem. You have been referring to wheat. On the farms with which I am in contact the cost of growing wheat to-day is 11s. 7d. a cwt. No amount of organisation, no amount of co-operation, could make the growing of wheat at 11s. 7d. a cwt. a paying proposition so long as its selling price on the English market is not 11s. 7d. but 10s.

Mr. A. CANHAM (South Africa) : Time is passing too rapidly to justify me in occupying much time, but I am representing South Africa, and I should like to tell you how very much we are in sympathy with your Conference and what big results we are looking for from it. I do not want to take up your time, but we in South Africa have for some years been marching along this road of co-operation, and we have achieved something. I have a colleague with me, a Senior Officer in the Agricultural Department, who knows the position very much better than I do, and we shall probably have opportunities during other Sessions of telling you something of our position.

(Resolution put and carried unanimously.)

## *Producers and Consumers.*

**AFTERNOON SESSION, TUESDAY, JULY 29TH, 1924.**

*Chairman* : Col. The HON. SIR JAMES ALLEN, High Commissioner for New Zealand.

*Subject* : "The Relationship between Co-operative Movements of Agricultural Producers and Urban Consumers."

THE CHAIRMAN : It is a very great pleasure to me to be able to come here this afternoon and preside over this gathering, and hear what is to be said on the subject under discussion. I understand that Sir Thomas Allen at the close of his speech will introduce for your consideration three draft resolutions. I am not going to deal with those resolutions, but I want just to say a word or two about general principles.

I am not myself very much acquainted with the co-operative movement except in so far as I have seen it in New Zealand and here, but I have been very much impressed with what I have seen here of the co-operative consumers' movement. As far as I can see, both in England in New Zealand, the actual co-operative farming is not a very large organisation. In New Zealand we have encouraged the individual farmer in producing his milk, and in stock raising and so on. Where we have adopted co-operation and gone a long way beyond you in England, is in the co-operative production of butter and cheese. Our co-operative dairy factories are the pride of New Zealand; they enable us not only to produce goods of a quality which commend themselves to our own consumer, but to produce goods of a standard which finds an acceptable market here. That co-operative movement is encouraged by the Government in every way. So far as the contact between producer and consumer is concerned, the producer is more closely in contact with the consumer in New Zealand than he is here. I understand the discussion will be on this relationship of the producer to the consumer.

Another subject that will crop up in the course of discussion, is the method by which the producer's product finds its way into the hands of the consumer. As I understand it, the consuming societies wish to get into direct contact with the producing societies, the middleman then is a sort of unnecessary evil. At the same time I gather from the Resolution that until fuller knowledge is available of the cost of producing agricultural produce, the system of supply and demand must stand. I believe that here in England there has been some attempt of the consumer himself to enter into agricultural co-operative promotion; from the accounts I have

seen it was not a financial success. From my knowledge of the subject I should think that each man had better stick to his last, the farmer to his farming and the consumer to his consuming.

**SIR THOMAS ALLEN** (Co-operative Wholesale Society): Underlying British co-operation and everything else of an economic character in these Islands, is the basic fact that British energy has gone mainly into industry, to developing its coalfields, shipping, manufacture and exports. The country is industrial, and the British co-operative movement, the parent of all others, has developed most strongly amidst industrial consumers. It is no accident that the Consumers' co-operative movement is as strong here in Great Britain as it is weak in sparsely-peopled food-exporting lands, where co-operation finds its natural basis—and almost its only basis—amongst agricultural producers. British co-operation spreads into the rural areas, and gathers members from farms and cottages; but it does so by virtue of its strength and energy in industrial centres. The co-operation of rural consumers grows by industrial help, and the hope of farmers' co-operation is to develop through similar mutual relations.

During the War period, a time when we were able to get accurate and reliable statistics, 10,682,665 persons were registered with Consumers' Co-operative Societies for sugar supplies. To-day, with an actual shareholding membership of 4,580,623 persons, mostly representing whole households, we should be justified in taking a bigger figure. We may safely keep in mind an organised purchasing community of eleven millions, each unit a potential consumer and customer for anything and everything the British soil will rear or produce.

In retail money value the purchases of this community totalled £165,427,590 in 1923, while a total of £83,465,466 represented the value of goods drawn by the societies from their two wholesale societies. Nearly 15 million was purchased Overseas, and over 8 million of this was through our own co-operative depots. A very big part of these Home and Overseas purchases covers wheat, butter, bacon, milk, cheese, eggs, sugar, fruit, potatoes and other vegetables, meat and fats, wool, leather, timber and other necessities. Consider wheat alone. Last year the two wholesale societies supplied their members with 4 million sacks of flour. This means in one year something like 27 million bushels of wheat. In purchasing English wheat, the C.W.S. buyers always give preference to farmers' co-operative societies, and to individual farmers as direct sellers. Grain is also taken in large quantities from organised co-operative farmers of the Dominions. We find no difficulty about doing business with co-operative farmers in any part of the Empire, so far as wheat is concerned, whenever they put themselves in direct communication with us.

Flour milling in this country is of the utmost importance to farmers by reason of its bye-product. Last year the wheat produced 300,000 tons of offals, a large quantity of which went directly to farmers' co-operative societies. Everywhere there is indirect testimony from these associations that the middle man's profits are being saved, and that they buy on equal terms with the distributing merchant.

Another point is that when farmers bring in wheat, milk, or other produce to the various mills or depots, they can and do take back some of the variety of farmers' necessities which the wholesalers supply. Here economy reaches its highest point. Intertrading relations are complete within a limited sphere, and this trading, or intertrading, is capable of the most varied application over the widest field of mutual and reciprocal trading. Where the producer can sell his potatoes, butter, cheese, wheat, eggs, etc., at the source from whence he can most economically purchase his cake, seed, fertilizer or offal, he has touched the secret of the economics of commerce. As the circle becomes more and more complete at home and more and more practised in co-operative purchase from abroad, we shall see direct purchase balanced by direct sale, each purchasing from each with the fullest advantage to both, and in the case of the Co-operative abroad with the further benefit of escaping those heavy charges entailed on remittances through bankers which so disastrously eat into the producers' profit.

The C.W.S. owns oil and cake mills at Liverpool and Bristol, and supplied 47,000 tons of cattle feeding cakes and meals last year, all to societies, agricultural and industrial. The C.W.S. Agricultural Seed Department at Derby buys its clover seed from British farmers and sells them seeds of every kind. Our New Zealand co-operative friends are growing for us seed peas of the finest type which will be distributed among co-operative agricultural societies at home. English cattle is brought by co-operators, the bones are bought back by the C.W.S. and turned into manures at Pontefract; one thousand tons of bone manure was produced last year and sold to farmers' co-operatives. The hides of the animals are tanned and turned into leather and the pelts into rugs. In Devon the wool is bought direct from the producers and turned into cloth in the same county, with the best results to everybody.

Provisions and dairy produce have been bought by the C.W.S. direct continuously for 50 years from the farmers. Manchester C.W.S. buyers drew from Cheshire and the neighbourhood 1,600 tons of cheese last year. The farmers stick to us year after year and know they are doing the best of business. The facts about cheddar are similar. About 100 Somerset farmers continuously sell their output to the Bristol C.W.S. Depot. (I see the C.W.S. cheese buyer from Cheddar in this Conference this afternoon.) These farmers appreciate the fact that their goods are collected and cash payments made; they are never asked to give credit and are sure of sound business and honest bargaining.

Everywhere we are organising and encouraging the purchase and sale of English eggs in place of Foreign. One English egg-collecting society has promised, for example, to deliver 1½ million during the Autumn season.

Meat and bacon are two important articles. There is a co-operative demand for refrigerated meat, and there is a co-operative supply; the task is to bring these into more direct relations. I see our New Zealand friends here this afternoon, and hope they will attend to that particular matter. Then with regard to bacon. The co-operative supplies from English sources do not exceed 3 per cent. of the Society's bacon turnover. We will welcome and do all we can to assist any organised

co-operative extension on the part of the producers to meet the consumers' requirements.

As with bacon, so it is with butter. We sent out of this country £5,214,259 in cash last year. I think one might safely say a good deal of that might have remained in this country with proper co-operative organisation.

Milk is a comparatively new co-operative business on a centralised scale and is different; but our wholesale and distributing organisations are now handling 30 million gallons, and we are just at the beginning. This is drawn from farmers at a fixed price by collective bargaining between the societies and the farmers' organisations.

Fruit is bought by the Wholesale Societies in huge quantities for counter sale and jam products, 6,000 tons being purchased last year. While there are difficulties, seasonal and otherwise, in this trade, there are growers who have reached such confidence in the C.W.S. that they send in their crops and accept the C.W.S. price.

But the Co-operative movement is more than a buyer and seller. Agricultural societies are large users of the C.W.S. bank. Many of them are agents for the C.I.S., and we received last year premiums for farmers' insurance amounting to £50,000. The C.W.S. derives no advantage over other customers, and receives only a low fixed rate of interest on its capital, 5 per cent., all the profits in Banking and Insurance as in trading, being returnable to the shareholder who happens also to be a customer. We claim that our rates are well below the tariff rates for farmers' business, and offer agencies on favourable terms to all accredited farmers' organisations.

But co-operators are more than traders. The Agricultural Societies in membership with the C.W.S. have the right to share in ownership and control on the same basis as all the other members. The value of C.W.S. membership is shown in another way. A large county Agricultural Society went into liquidation in 1922. They appealed to the Wiltshire Society to come in and save complete wreckage. The C.W.S. assumed financial responsibility, the liquidation was cancelled, and a new career begun under C.W.S. guidance and experience; the members themselves subscribed new capital and the sales trebled. The Society now supplies all the farmers' wants, while collecting and selling grain and eggs; and farmers' money that would have been lost has been saved and increased. Within three weeks of the Society recommencing business the price of maize was reduced to farmers in that county without any corresponding drop in the wholesale markets. A similar service is now being rendered to another great County Society.

Obstacles certainly stand in the way of ideal relations. Take the least first. The farmer is not only a producer but a domestic consumer. The consumers' society within the sphere of the farmers' producing society usually wants an assurance that the latter will confine its operations to agricultural business and not become another local source of C.W.S. supply, thereby weakening the local consumers' society.

Credit is a more serious difficulty. What effective process of bargaining is possible where the middleman is the farmer's financier in and out of season? How is the former to be eliminated while the latter is dependent

upon him ? There have been cases where we were quite unable to do any bargaining or secure grain although offering to supply sacks and free transport, and the reason is well known. Through resolute co-operation the best of the working masses have climbed out of the abyss of credit, and we invite agriculture to co-operate to the same end.

Grading we find another difficulty in intertrading relations. Methods of collecting and dealing need to be thoroughly organised and attention given to quality. Where, say, six senders make up a truck of potatoes, there should be some relationship with regard to quality and grading of all six. This is only justice to the best grower, and without it the confidence of the receiver is broken. In this direction the Wholesale Societies are ready to help and advise all organised farmers for the effective and most economical way of marketing their products.

Perfection in bargaining is achieved, in my view, not when a unit of production or consumption breaks away for a temporary advantage in price, but when they are organised, steadfastly and continuously, over the widest possible area of the industry, where price is steady and secure, and where supplies are continuous. In all bargaining there must be a proper observance of contracts, with some power in a central authority to see that they are honoured. Evasion, when evasion seems to provide a transitory advantage, is a practice subversive of all forms of co-operation. It has ruined producers' societies in Australia and Canada, and it alienates buyers in England. Co-operation must have at least as high a standard of business morality as those it seeks to displace.

As farmers themselves, in a small way, the Consumers' Societies are bound to be sympathetic with any benefit to growers that is not simply at the expense of the wage earners in the urban areas, and that is going to reach the lowest as well as the highest sections in the agricultural world. If fair prices are not to be obtained from the organised consumers they will not in the long run be found anywhere else. I say this out of some experience and believe it to be fundamentally true : if right relationships can be brought about between the consumers' organisations and the producers', then in the consumers' organisations the productive enterprise of this country will have its most valuable asset. The only need is that producers' co-operation should remember that consumers' co-operation, despite all its apparent aggregate wealth, still depends for its very existence on economic service where eleven million mouths have to be fed out of small wages. With such considerations, prices will be easily negotiable.

At the worst, co-operative consumers are not all selfish materialists any more than co-operative agriculturists are all selfish producers, and successful work in any form of pure co-operative enterprise proclaims an inspiration somewhere within it. I know the day to day work of the buyers, heads and staffs, the Committees and voluntary workers of the consumers' movement—I have been at the heart of it for 35 years—and I know how strong is the leaven of social ideals and the communal spirit. That movement invites the farmers of Britain and the Empire, as essential producers, and also as buyers and consumers themselves, to share alike the industry, the commerce and the best co-operative mind and spirit of those already working for the commonwealth of all.

I have pleasure in submitting this Resolution to this Conference :

THIS Conference records as its opinion :

- (1) That until some complete information of the cost of agricultural production is available, the prices of agricultural produce must continue to be fixed by a process of bargaining.
- (2) That the immediate task before co-operators is to enable bargaining to take place more and more directly between the organisations of co-operating producers and those of co-operating consumers so as gradually to eliminate the control now exercised by the middle man.
- (3) That all federations of agricultural co-operative societies should endeavour to establish close intertrading relations with the Consumers' Wholesale Society.

Mr. G. D. MACFARLANE (New Zealand Produce Association) : As the result of my experience during these last 2½ years in viewing the position of the agriculturist in this country, I have found that he is very much in the position of agriculturists in every country, that is to say that there are too many people farming the farmers. I am satisfied that that is the fundamental question so far as agricultural interests are concerned ; from the farmers' point of view, until that fundamental question is settled, there will be very little hope of settling any other question.

The late President Harding in speaking of co-operation said, " We realise that the real producer, under our present system of production is not permitted a fair share of his product for his own use and enjoyment. We have become convinced that somehow our system of distribution has grown too cumbersome, too costly, too complex, too indirect, too unrelated to the interests of real producers and legitimate consumers. The need of the times is to shorten the bridge between producer and consumer, and to reduce the toll that must be paid for passing over it." That concisely expresses the viewpoint of New Zealand producers previous to the establishment of the New Zealand Producers' Co-operative Marketing Association. This organisation was the first to attempt the marketing of its members' produce on this market, it is purely voluntary, and although primarily intended to embrace produce of every description, up to the present it has almost exclusively handled butter and cheese. It comprises some 100 co-operative dairy companies, who send their produce to the Association for disposal. It was felt that the Co-operative movement in this country would respond to any effort on the part of the producers to get into closer touch with the consumers, and when representations were made to the C.W.S., as representing the largest section of organised consumers in this country, they at once agreed to send a delegation to New Zealand. After fully enquiring into the matter, the delegate reported favourably, with the result that the two organisations agreed to form a Joint Company in London, to act as a clearing house and as agents for both parties. This London Company is termed the New Zealand Produce Association, Ltd., in which the New Zealand marketing company and the C.W.S. have an equal shareholding, these being the only shareholders. Two directors from each organisation

form the Board of Management, a Chairman being appointed alternately from each organisation every year. The business is run on ordinary commercial lines, commission being charged at current rates for all business done, and after all expenses are met, the margin saved, which hitherto went to private traders, is distributed between producer and consumer. The New Zealand company look after the handling, shipping, insurance and financial arrangements at the other end, and keep the London company advised of all shipments coming forward; it also advises its members of prices realised for the produce, and any information regarding marketing that may be sent to it. The London company clears the goods on arrival here, looks after storage when necessary, acts as selling agents, and determines the price the goods are to be sold at on this market. There is no compulsion on the part of the C.W.S. to buy from the company or the company to sell to the C.W.S. If the price fixed by the company is, in the estimation of the C.W.S. buyers, too high, they are at liberty to purchase their requirements from other sources, while the company is at liberty to sell to outside traders. This arose as a result of objections on the part of some New Zealand dairy companies, which feared that, with a Board having a C.W.S. Chairman with a casting vote, on a question of price fixing he would vote in the interests of his organisation, a New Zealand Chairman acting in the same way. Immediately the objection was raised and the reasons for it put to the C.W.S. they waived their right to fix prices, and now this function is performed by the New Zealand representatives. This arrangement has worked quite smoothly.

It is now generally agreed that this, the first attempt at joint colonial co-operative trading, has been a success. The volume of business has been increasing yearly, ranging from 15 to 20 per cent. for the first three years; and this, the fourth year of its existence, shows a further increase. The prices returned to the producers have been satisfactory to them, and the consumers as represented by the C.W.S. have also reaped an advantage as compared with previous methods of buying. We do not claim that this organisation is the last word in distribution, but we do claim that it is an improvement on private enterprise methods, and with an extension of the co-operative spirit on the part of the producers, many improvements could be effected in the interests of themselves and the consumers, notably the elimination of speculation, which generally strikes both severely.

From the co-operative producers' viewpoint it is difficult to see how any new machinery that may be set up could result in closer contact with the consumer than has been accomplished through the Co-operative Wholesale Society's agency. In any scheme for the improvement of distribution they must necessarily be big factors. Our distributive costs for the produce sold to the Co-operative Wholesales is very much less than that for the private trader, for the reason that the C.W.S. by their central buying methods, dispose of large quantities of produce in agreement with the representatives of the New Zealand Produce Co., whereas in dealing with the private trader smaller quantities are dealt with, and the business involves the employment of numerous travellers or agents, the trader in turn having to employ travellers to sell in still smaller quantities to the retail trade, all involving an excessive added cost for



the produce before it reaches the consumer. Under the present system of distribution this cost seems unavoidable ; until the consumers realise the waste entailed in our present methods, it will continue.

It has been suggested that the producers could reach the consumers directly by means of setting up retail shops throughout the country. While this seems a plausible suggestion, the enormous amount of organisation that would be necessary, as well as the great financial outlay it would involve, so far as New Zealand is concerned, puts it out of court. In any case, it is questionable if the cost of distribution in this way would be less than through co-operation channels with their highly developed distributive outlets.

The other big distributive channel is that of the multiple interests, and although these up to now have been competing with one another, we have evidence as a result of the merging that has been effected, of their desire to eliminate competition as far as possible amongst themselves. It cannot be expected that either the consumer or the producer will benefit by this.

The economic results of the War are responsible for the new viewpoint that old marketing methods are obsolete and must give place to a more up-to-date system. This synchronises with the trend of trade and production which aims at the elimination of all unnecessary handling, and reducing the costs of distribution. In New Zealand legislative sanction has been given to this method, in the form of a Dairy Products Control Board with powers to regulate shipments, and make arrangements for the disposal of all the dairy produce of New Zealand. Australia is about to submit a similar proposal to its dairy producers. Canada has accepted an invitation from the British Government, to appoint members to a Committee to consider the question of food distribution in Great Britain ; the other Dominions will have received a similar invitation. This is evidence of the desire of the present Government to bring the producers of the Empire and the home consumer together in an endeavour to examine and improve present methods of distribution. It is evident, from the various schemes that are being propounded, that some new method of distribution must emerge. Whether this take the form of each country marketing its own produce, or the Government of this country becoming the sole purchasers of necessary food stuffs, matters very little, so long as the consumer and producer are protected from the speculator and the insidious operations of the various trusts and combines.

When one looks at the number of avenues that foodstuffs have to pass through before reaching the consumer, one realises the enormous waste that takes place under our present methods. The problem of organising the distribution of foodstuffs is as important from the consumers' point of view as that of the producer ; if the consumers desire to take advantage of the improved methods of the producers, then it will be necessary for them to organise on similar lines. Every country is dissatisfied with the present methods, every country is exploring new avenues for their produce ; and I am satisfied that, as a result of the combined efforts of the whole of the people who are thus dissatisfied, something will emerge that will be to the benefit of both the producer and the consumer.

Mr. PHILIP MORRELL (President, Oxfordshire Farmers, Ltd.) : The two forms of co-operation have now been described for us, and I should like to be able to claim that I take an impartial view, although I am certainly more interested in agricultural co-operation than in the other. Having been Member of Parliament for Burnley, I know enough of the Co-operative Wholesale Society movement to have an enormous respect for the magnificent work it has done.

The first thing we have to notice about these two forms of co-operation is that they are separate. It is quite true that in origin they are the same. We who speak English, all trace back to that wonderful experiment which was made 80 years ago by the 28 poor weavers in Rochdale when they founded the Rochdale Equitable Pioneers. When the Danish co-operators started those dairies and bacon factories which have practically revolutionised agriculture in every country except our own, they came over to England to study the consumers' movement, they based their experiment upon consumers' co-operation. In spirit the producers' movement is exactly the same as the consumers'; its principles are exactly the same. Every member, for instance, has one vote and no more; the amount of shares held by any member is limited; the interest on capital must not exceed a reasonable rate of interest prevailing in the country; the profits are to be distributed among the members in proportion to the amount of trade they do with the Society; the goods sold by the Society to its members, or in the other case sold by members to the Society, are sold at the current market rates, and any savings effected are returned in the form of a bonus; and membership in any area is unrestricted except by area, and no *bona fide* applicant resident within the district is refused admission.

Now the fact is that, although in principle and in origin the two movements are the same, in object and in methods of working the two movements are essentially different, and I am going to submit to you that they must be different, that neither can possibly swallow the other. The consumers' movement, if I may say so with great respect to Sir Thomas Allen, has a comparatively simple problem before it. We are all consumers and we all consume in much the same way; therefore it is possible to organise consumers, as has been done in this country with extraordinary success, into large groups of people with a single small body of men, the directors, at their head. Among the producers, the situation is quite different. As farmers, as market gardeners, we can only organise ourselves in comparatively small groups, according to the commodity with which we are dealing. You will find that if a whole lot of farmers set to work to organise themselves into a single co-operative society producing all sorts of things, they almost invariably come to grief. Experience has shown in Denmark, and in every country, that organisation must be according to commodity; you must have more or less single purpose societies, a society, as we have in Oxfordshire, dealing with the production of bacon, with its own Committee, its own Manager, its own members composed of people who produce pigs and who want to have their pigs turned into bacon. For milk or cheese, you must have a different society. They are based on the same principles, but each has its Committee and its own Manager. Producers' coopera-

tion will always consist of a movement divided up into comparatively small groups of people according to their trades.

The two movements, in my opinion, can never combine together, although they may be sympathetic, although our principles are the same. We are essentially different, because we are engaged in essentially different occupations. But there is no reason why we should not work harmoniously together ; in fact, there is every possible reason why we should attempt to do so. We shall never really get co-operation as a leading force in this or any other country until these two movements have learned to understand each other. This country is primarily an industrial country, but I believe there is no reason in the world, except our want of organisation, why we should not be equally important as an agricultural country. John Bull originally was a farmer ; the oldest traditions of this country are agricultural. Industry has been organised, consumers have been organised, the distributive trades have been organised, and the farmers have been unorganised. Here and there the consumers' movement may be able to put a farmers' society on its legs, as they did with the Western farmers lately—and all honour to them for doing so ; but they will never be able to do, and they ought not to attempt to do, what farmers ought to do for themselves, namely, organise their own production.

I regret, as every co-operator who knows the thing ought to regret, that these same gentlemen at the C.W.S. offices, whom I respect as much as any men in this country, should have made so lamentable a mistake as an attempt to start farming ; it was not their job, and they ought not to have done it. They lost their money—they have got plenty to lose. But they did something much worse : they spoilt the good feeling of the farmers towards them.

What I put to this meeting is that if co-operation is to be successful, these two movements ought to be developed separately, but respecting each other and working harmoniously together. There are two conditions on which that can be accomplished, in my opinion. The first, to which I have already alluded, is that there should be no poaching ; we should not make raids into each other's territory. We should see what the limits of our territories are. This is just as important for the farmers as it is for the consumers. For instance, my friend Mr. Noel Buxton was speaking in this room yesterday and he used the expression— I think I took it down correctly—" that the main work of farmers' co-operation ought to be in the preparation, the marketing and the distribution of their agricultural produce." With regard to the word " distribution " I entirely disagree with him ; distribution is not the work of Farmers' Societies ; it has never done well. Look at the Danes. The Danish farmers have organised themselves magnificently, as we know, a model to the rest of the world ; they have been even better than the New Zealand farmers, if possible ; at any rate they set them the example. They have organised themselves to produce the sort of bacon the public wants, to produce the butter the public wants, and the best eggs, and they have done it with a success that simply takes your breath away. But even the Danes, with all their organising power, have never attempted distribution of that product. I think I am right in saying that they send over their goods to this country and the goods are dealt with as we see in

the ordinary channels of trade ; they are often dealt with and very well dealt with by the consumers' movement.

I had the same thing brought to my attention very forcibly in a bacon factory which I helped to start, and of which I am the Chairman of the Executive down in Oxfordshire, only a short time ago. We started to turn our pigs into bacon, an excellent thing to do ; we were going to produce uniform bacon and we did produce uniform bacon ; and if my friends want to buy good bacon, they will buy the Kidlington bacon from the Oxfordshire Farmers' bacon factory. When we first started we took no steps to distribute our bacon through what are called the ordinary channels. We thought we understood the work of distribution. It was disastrous. We had bacon on our hands, we lost an enormous lot of money solely because we did not see that our business was the production of bacon and not its distribution.

Other people must do the distribution. On the other hand, if the consumers do not poach, we shall be able to develop in time a producers' agricultural co-operative movement that may be just as strong and of just as great benefit to the farmers in this country as the Danish movement or the New Zealand movement. The production of farmers' goods, the production of bacon, is our business. I assure my friends it will never be done well unless it is done by the man who produces the pigs. In the same way, with the production of milk, butter and of cheese, it is not satisfactory for a farmer to bring his milk to a creamery which he does not own or help to own and there have it manufactured into butter or cheese by other people ; he ought to be a member of the Society which runs the creamery, which converts his milk into butter or cheese.

The first condition, then, is that we should each stick to our provinces and not poach on each others'. The second condition—and this is a very delicate subject—is that we should avoid if we can the political differences that sometimes arise ; politics are sometimes the very curse of co-operation. I have been all my life a strong Liberal, I am rather on the shelf now, but I have to do continually with strong Conservatives ; I have also to do sometimes with Labour people. In England, political feeling is never very far away ; all Englishmen who are anything are interested in politics. Therefore if there is to be a happy harmony between us, between these two co-operative movements, we must not poach on each other's territory, and we must avoid those political questions that are apt to separate us. We agricultural co-operators are mostly Conservatives ; many of my friends have a suspicion that the co-operative movement, the consumers' movement, is a sort of disguised Socialist movement. I do not believe it at all. I believe, if those two conditions are observed, that is to say that we should avoid poaching and avoid politics, there is no reason why these two movements should not in time work together, and I am certain that the possibilities are endless. I believe in that way, and in that way only, shall we achieve that co-operative commonwealth of which Sir Horace Plunkett used to tell us, that commonwealth where we shall not see all this waste of money in unnecessary competition and unnecessary multiplication of middle man agencies. You must have some middle men, the co-operative consumers are a sort of middle men themselves ; you must have distribution, and spend money upon it ;

but we have got to get rid of a great deal of that parasitic agency which is sapping the lifeblood out of English agriculture. If we can organise on the producers' side as in Denmark and New Zealand, and on the consumers' side as has already been done and is being done so magnificently in this country, if then the leaders of the two great movements can work harmoniously together, then there is no end to the success which we may achieve.

Mr. A. V. ALEXANDER, M.P., (Parliamentary Secretary to the Board of Trade) : I did not come here as a politician or as a member of the Labour Government ; I came because I believe that the hope of the world is co-operation. I believe that co-operation is the first principle which has to be adopted and practised in all the forces of men, if we are to get towards the state of well-being generally that we all desire. For the last two years I have been working behind the scenes as hard as I possibly can, in conjunction with Sir Thomas Allen and other of my co-operative friends, to try and get a better understanding with the agricultural movement of this country than we have had. We were fortunate in having an opportunity presented of making a commencement when a former Government set up a Committee on the prices of agricultural produce, the Linlithgow Committee, and as a result of the evidence we submitted from the consumers' movement in Great Britain, there was a very short but very significant paragraph included in that Report. That was, that every avenue should be explored with a view to bringing into closer trading relationships the industrial and agricultural co-operative movements. That is what I hope will be the outcome of the report of that Committee and of conferences of the kind that we are holding here to-day.

There are some points that I think we might as well emphasise to each other here this afternoon. Sir Thomas naturally gave us a national view, from the wholesale point of view. That is not the whole story. Our membership is large in the mass now, but only as the result of 85 years of continuous hard organising work ; it started with small groups of working-class consumers, all with the same difficulty of organisation that the farmer has to face when he comes to organise co-operatively now. The wholesale organisations are managed and controlled by 1,400 groups of retail co-operators all over the country. They are not an example of co-operation superimposed from above, but are a successful organisation built upon the basis of the working class individual consumer.

I agree entirely with Mr. Morrell when he says agricultural co-operation will only be successfully organised by the farmer in his own occupation, upon his own volition, and in his own organisation ; but let me explain what Sir Thomas Allen said. Up and down this country to-day where you have intelligent and educated farmers, you will find them in direct contact with their retail co-operative societies. They are not only engaged in trading direct with the wholesale societies, but are trading direct with the retail societies. The other day I asked a leading member of the Derby Co-operative Society, "Would you tell me what your agricultural relationships are, and how they are getting on ?" He said,

"Last week in this town of Derby we took 30,000 gallons of milk from farmers to our members and 115,000 eggs." That is direct contact, and as a result in Derby the price of milk to the consumer is lower than in any industrial town that I know of ; and the farmer is satisfied—at least he is as satisfied as any farmers will be until they learn more of co-operation and are less individualistic than they are to-day.

In that way a direct liaison can be established between the farmers and the consumer—first of all, in many cases, between the individual farmer and his retail society. There can be built up with the help and the experience and the business efficiency of the local retail society, a small organisation of farmers in the neighbourhood, brought through the retail channel into direct relationship with the wholesale society.

Sir Thomas Allen and Mr. Morrell have touched on one of the obstacles, an obstacle which I will call overlapping, which Mr. Morrell described as poaching. The poaching is by no means on the one side only. We have, in the Eastern Counties, agricultural producers who insist on opening shops close to the industrial co-operative society, to sell the same class of goods the industrial society is selling. We cannot get along on that basis ; competition is the antithesis of co-operation. If we can get the heads of the movement not only to confer together, not only to construct a scheme, but to have within themselves such a power of organisation in their respective camps that they can discipline and control the people for whom they speak, we might very soon get rid of that particular difficulty. With very few exceptions, in the industrial movement, we have eliminated the evil of overlapping ; if the farmers' organisations will work along the same lines to eliminate overlapping on their side, then I believe a successful and productive rapprochement can be effected in that direction.

We proved before the Linlithgow Committee not only our desire from the industrial side to come into direct relationships with the farmer to eliminate the middle man, but we also proved before the Committee that we could do the farmer more good than any other channel of distribution which is open to him in this country to-day. In the case of distribution we showed that we had a smaller margin of waste, and that in the aggregate our cost of distribution of the farmers' product was lower than that of the private traders through whom the farmers send their goods. If they can be got into direct touch with us, a cash organisation, we can give them all the benefits of increased agricultural production and its distribution that we have gained for ourselves.

I want to say this on the general question ; whilst I agree entirely that it would be the best thing in this country for the farmer to organise himself co-operatively and to produce co-operatively and distribute his products through us, yet we have not got to be unmindful of the trend in the world generally with regard to the distribution of the food of the world. The trend is, whether you speak of Russia, of Canada, of the States, of New Zealand, for the producers of the necessities of life to combine in one form or another in such a way that the industrial community may be in a very serious position unless it is also organised, either through the State or through its co-operative consumers organisation, and able to say, thus far shall you go and no farther. It is far better not

to drift into that state of things ; it is far better for us to get down to a sound and sane relationship between the two movements, seeing that our interests are the interests of the whole community.

MAJOR SPROT (Chairman, Scottish Agricultural Organisation Society) : I want to say on behalf of the Scotch Agricultural Organisation Society, of which I am President, that I entirely endorse Mr. Morrell's remarks ; they represent pretty well the views of the Scotch farmers. I would like to add, that, in my opinion, farmers would be well advised not to go further than the wholesale trading. They should stick to their production and the manufacture of their products and the wholesale selling thereof. I think it is rather a risky and dangerous policy to go any further.

The speaker from New Zealand said there are plenty of people farming the farmers. In my experience as a farmer, the State is the one who farms the farmer more than anybody. One of the heaviest charges on my farm I find to be the rates and Income Tax.

Dr. RUSTON (Leeds) : Mr. Alexander has referred to what has been happening at Derby ; I should like to ask, first, what price were the Co-operative Societies there paying to producers of the milk, and at what price was that milk being sold to the consumer ? I put that for this reason. Last year, in the North Riding of Yorkshire, there was one case in which the farmers themselves were deliberately coming in contact with the co-operative consumers for which I was exceedingly sorry ; I will not mention the name, but I will give it to Mr. Alexander. At that particular place they were quoting, as apparently Derby is quoting to-day, that they were selling milk to the consuming public at a lower price than anyone else in England. At that time, at that particular place, they were paying to the producer 7d. a gallon ; I knew no farmer on the whole of my list who had been able to produce milk at 7d. a gallon. They were putting that milk on the market at 2d. a pint, 1s. 4d. a gallon cheaper than anyone else in England selling at that time. But they were paying 7d. for producing, at which price it could not be produced, and 9d. for distributing, when milk can be distributed if well handled at between 4d. and 5d.

Mr. ALEXANDER : I cannot answer the case on figures, because I would like to get the actual information from the Accountant in the particular neighbourhood. But I should say one of the points at any rate the farmer makes has been met ; he says the consumer pays too high a price compared with the price which is paid to the farmer.

Dr. RUSTON : But the farmer is not getting sufficient.

Mr. ALEXANDER : That also will follow, but here at any rate there was a cheaper milk being sold to the consumer, and if I know the Society in question the farmers were selling their milk to the Society, not only on the basis of the price they got for the milk, but because of the collateral advantages they gained from that society owning its own flour mills

and offering other advantages, as well as giving the same price per gallon for milk that was being paid by other districts in the neighbourhood who were charging more for their milk than the co-operative.

Dr. RUSTON : What about the 9d. for distribution ?

Mr. ALEXANDER : That is a question of cost—if you are paying wages of £3 5s. 0d. a week where others pay 35 shillings.

Miss MARGARET HICKS : Co-operation is evidently a good thing both ways ; the point is where shall we make the contact between the consumer and the producer ? There has been poaching both ways ; that only shows that the point of contact should come somewhere in between, and a little thought will tell you that it is at the finish of the produced goods before they begin to be in the possession of the consumer at all. Now we have got into a fine old muddle one way and another between the producer and the consumer, and there are bits of boys calling themselves “ dealers ” who come in between and muddle the issue so much that we can scarcely see what it is.

I was in Tring last week and some farmers went into the co-operative stores and offered pigs for sale ; they were asking 15s., that is fairly cheap considering the price that pork is sold at. The buyer said he could not pay it ; the farmer offered to sell for 13s. although they said it was impossible to produce at the price, after paying for work and the cost of feeding. A farmer talking to me afterwards said the buyer of the co-operative stores was a servant of the consumers, and therefore he was bound to fix a price that would give the most benefit to the consumer, not caring what happened to the producer. On the other hand, the producers have not yet organised sufficiently to be able to say what is the cost of their production. That is the testing point. As soon as the producers have gone into their own accounts sufficiently to say what is the cost of production, then we can have a prices board in the same way as we have a Wages Board. It is quite possible to have such a thing, to have the consumers represented on the prices board and producers as well and fairly settle the prices, so that we do not have this poaching and overlapping. We have got to meet it somewhere, and we may as well meet it fair and square just at the point where they join.

Mr. C. H. GRINLING (Royal Arsenal Co-operative Society) : The interesting feature of congresses of this nature is always the disputed point, but I am hoping that the dominant feature of these four days will be the vision of the whole. When I look back to the Paris Congress in 1900 and recall the International conferences on co-operation which I attended there, I cannot help thinking that the vision we get of the whole has been one of the fertile elements in the development of the movement. I remember well how all the countries represented tabled their literature, and I could not help wishing at the time that we could have had for those meetings a joint co-operative survey such as Mr. Walter has produced for us to-day. The one criticism I would make is that I see no mention of Russian co-operation in that survey ; a brief reference there is to the United States. I venture to hope that as one of the results of this



Congress the Horace Plunkett Foundation will give us a world survey of co-operation on the lines of the present Survey, developed on the lines of the preface.

As an individual member of the Royal Arsenal Co-operative Society in Woolwich, one of the largest distributive societies in the country, I have been interested from the outset in constructive efforts towards a corporate unity. I remember well how in the early days when the Co-operative Congress came to Woolwich we moved for a Committee for a survey of the educational movement for co-operation. We reported the next year at the Congress, and I remember how one of the results was that very shortly afterwards we called a conference on co-operative agriculture in Woolwich to which we invited Professor Bottomley, Dr. Paton and Prince Kropotkin. From those early days we have been interested in the relations between co-operative agriculture and ourselves. In the early days we had our own farms, then we looked farther afield to the developments in Denmark and in Ireland, and we came to the conclusion that for the time being at any rate these must hold the field. I believe that the solution of the differences which have been expressed this afternoon can only come about by our testing in every way these intermediate groups which shall lead us on to the higher synthesis where the differences will disappear.

In our Royal Arsenal Co-operative Society only the half-yearly meeting before the last it was reported to us that we had some idle capital. We knew that some societies invest some of their capital in non-co-operative places. It was mentioned also at the same time that the C.W.S. at that moment had some idle capital. I ventured to suggest to my own Society that the fundamental way of employing idle capital, and the wisest way to-day, was in fertilising the agricultural movement. The only possible way to do that is for us to get into intimate touch with agricultural communities within our own reach, to do everything that lies in our power to develop those bodies. I believe we could put our capital to no better purpose than in educational and stimulating efforts to link up agricultural co-operation. I look forward to very big results from this Conference to-day.

But I would like to conclude on this note, that it is to the better living side of co-operation that I look for that harmonising of our conflicting points of view, and for giving us that individual moral and spiritual power which is going to make us a force not only within our own urban standards, but in the agricultural standards also, until the productive side of the movement and the distributive side, the side of the agricultural producers, and the side of our great urban societies, shall be welded in one solid, living and subtle whole.

MR. A. MACARTHUR (New South Wales): As a wheat grower from Australia I would like to say a few words in reply to the remarks of Sir Thomas Allen. I take it that the Co-operative Co. that he represents is a Co. that is in a good position and paying its way. Now, on behalf of the wheat growers of Australia, that is all we want—a fair living wage and a reasonable return for the capital invested. At the present time wheat growing is pretty well at a standstill. We are marking time in

Australia, because we cannot produce the wheat for the price we get for it.

Sir Thomas Allen made some remark about Canada and Australia going to fix the price. Is it not more reasonable that we, the growers growing the wheat, should fix the price, instead of the wheat pit at Chicago or the speculators?

Mr. DUNNING (Saskatchewan): I was wondering if this was a private fight or if anybody could get in. Your very kindly reception encourages me. There appears to be the usual point of difference between co-operative distribution and agricultural co-operation, frequently debated, frequently theorised about, and seldom faced frankly. Why should we not admit that one of the primary objects of consumers' co-operation is to purchase that which they need as cheaply as possible, and that one of the primary objects of agricultural co-operation must be to get more for what we produce. Either may get too much power, and the result would be an unfair monopoly. But I venture to repeat what I said this morning, that there is less danger of unfair monopoly on the part of the agriculturists, because of the great natural, economic law. Let me repeat it again; if, as a result of obtaining monopolistic power, we agriculturists make abnormal profits, it is easy for a lot more people to become agriculturists and thus over-produce and kill the monopoly.

That is the answer to the danger of an agriculturists' monopoly; it is a practical impossibility. We had evidence of it during the War. I had the honour of being director of food production for Canada during the later years of the War; it was my work to endeavour, in co-operation with your food organisation here, to secure the largest acreage possible of essential food stuffs. Do you know that we more than doubled our production in two years? Not an altogether patriotic thing—no, it paid the farmers to do it. And it paid a good many people who had not been farmers to go in and do it. That is exactly what will happen upon any occasion when the price of agricultural produce goes sufficiently high. Our consuming friends need not fear any combination of agriculturists unduly inflating prices.

Then there is the question whether the consumers' co-operative organisation shall extend its activities into the agricultural field. Well, for my part, speaking for Western Canada, I would say, "Come on in, the water is fine!" If you can farm any cheaper, any more efficiently, than the farmers who are there, they ought to get out and let you do the whole job. I am not a bit afraid. The Scottish co-operative organisation which undertook to farm in the province of Saskatchewan, like most of our pioneers and traders and others who go into farming, found it is a fine field in which to spend the profits earned in some other enterprise.

Miss Hicks spoke about the point of contact—where it ought to be. I do not pretend to theorise about that, because there is no way at all of demonstrating it. I say, let our consuming friends come in and try farming; they will soon find out where the point of contact is. The only way is to get the experience. On the other hand, if producers' co-operative organisations make the mistake of undertaking functions not natural to themselves, they will speedily find from experience where they are wrong.

I do not quite go all the way with Mr. Morrell and say that the producers' organisations should never enter into the field of distribution, for the reason that I hold very strongly the opinion I attempted to explain this morning, that each commodity must be considered separately. There is no fixed rule of business which applies equally to all commodities produced on the farm. I can conceive of commodities produced on the farm in which it would be in the best interests of everybody concerned if the farmers' co-operative organisations did undertake the distribution; and I can conceive of others where it would be quite fatal for them to do so. Each commodity must be studied on its own basis.

Regarding politics, of course that interests me, because I am a politician. I was identified very closely for a great number of years with co-operative enterprise; but when I entered public life I dropped absolutely and completely all official connection with co-operative enterprise politically.

I do not believe it to be a good thing for co-operators who are organised for a definite economic purpose to attempt to use the machine thus created for the purpose of electing political candidates, because so many other considerations enter into the election of a political candidate other than the particular economic object of the organisation. It is all very well to say your economic interests are identical; that is true, but elections are not always won by reason of economic questions, or by reason of the views of one Party or the other on an economic question. Sentiment enters, tradition, belief, religion sometimes, language sometimes with us, a thousand and one things which have nothing whatever to do with the specific economic object of a co-operative organisation, enter into a political campaign. I have seen co-operative associations wrecked beyond recall by an attempt to use their machinery for the election of a political candidate. For what it is worth, let us all be politicians, but let us not mix our politics with our co-operative work.

**Mr. T. W. MERCER :** It is, I think, fitting I should be the last speaker in this discussion, because I have viewed the fight that has been going on from the standpoint of Adam Smith's impartial spectator. I am here representing the British Co-operative Union with 4½ million members, and we are not concerned primarily with any particular school of co-operation; our business is to encourage the development of all forms of co-operative activity, whether it be of consumers or of producers.

Now Sir Thomas Allen has pointed out this afternoon that, apart from these little battles that we have whenever we meet in conference, mutual trading has in fact developed. That is one concrete fact that emerges from this discussion. Sir Thomas has shown you how the Consumers' Wholesale is day by day conducting practical trading with organisations of farmers in all parts of the world, so that however much we may debate about theories, the movement develops. Economic circumstances, the logic of our own principles, forces us to co-operate for mutual advantage in the economic sphere.

There is one other fact to which I want to draw attention; it is perhaps the one fact on which we can build with perfect confidence. Whatever views we may take of co-operative organisation it is absolutely certain

that the consumer's co-operative movement will grow in this country until it embraces the whole of the urban population. There, for the organised farmer, is an ever-extending market. Those organised consumers want the goods the farmers produce. Here is the Co-operative Wholesale Society developing the contacts. Let not the organised farmers forget that the consumers' movement is to-day rendering to them a very great service, organising a market, a demand for their goods. It is saving real costs to the farmers' organisations, who no longer have to seek in the market place for a buyer when there is one in Manchester waiting to deal with their stuff.

Further, as the consumers' movement grows, its central organisation, the Wholesale Society, will be driven by its growing membership further and further into the realms of productive activity. It is bound more and more, as the years pass, to get into touch with agriculture and to see that the goods needed by the members of its affiliated societies are forthcoming. We have made our experiments in farming; perhaps they have not been so successful as we could desire, just as experiments some of you have made in trading have not been so successful as you could wish; but there is no reason I think why that larger development should not take place through the farmers' organisations operating through the Consumers' Wholesale. It does not follow, because the consumer wishes to control his supplies and to see that they are forthcoming, that he himself must farm. The essential point is that he shall know that the right goods are coming and at the right price.

Here we come, at the end of the discussion, to the crux of the whole matter. There are two points that emerge, that part the different sections this afternoon: there is first of all the delimitation of fields of activity, and next the question of price-fixing. As regards the first, all wise men must recognise that there must be, if maximum results are to be obtained, specialisation of economic function; it may pay in the long run the organised consumers to relegate the task of agricultural production the world over to organised farmers; but at all events that is a matter, this question of delimitation of spheres of activity, that will have to be solved in the future, and can best be solved probably by joint committees representing both sides. As regards price-fixing, the consumer wants to depress and the producer wants to raise the price; but is it impossible for us as co-operators to deal with this matter? I believe that the question of price-fixing will ultimately be settled largely on a basis of mutual confidence born of knowledge and trust and intimate relationships. It will be, as Sir Thomas has told you, the consumers' organisations offering to the producers' organisations a secure market, a certain demand and the best price going. I think we can solve these two questions by agreeing together until ultimately these two wings are united in a larger co-operation than this country has yet seen.

(The Resolution was then carried by a considerable majority.)

## *Federation.*

**WEDNESDAY MORNING, JULY 30TH, 1924.**

*Chairman :* THE RT. HON. SIR JOSEPH COOK, G.C.M.G., High Commissioner for Australia.

*Subject :* "The Principles and Practice of Federation among Agricultural Co-operative Societies."

THE CHAIRMAN: In all the Conferences that have taken place in connection with this great Exhibition, I doubt if any has quite the significance and importance of this one. Most of them have had to do with the secondary occupations; this gets down amongst fundamentals, and therefore it seems to me is of primary importance, if not supreme importance, to the welfare of the Empire as a whole and particularly to this old land. Agriculture is the fundamental occupation of all and on the healthy stability of this fundamental thing rests the whole superstructure that we sustain in all the relations of the Empire and all the relations of life.

The first principle, therefore, of co-operation is that the industry shall be regarded as a unit and not the individual engaged in it. There are gradations of course in the development of this principle, beginning away back in the interior of the country and concerning itself with the individual farm and grouping itself through a series of gradations up to the point of the great organisation which is becoming more and more necessary to see that these products reach the consumer in prime condition and at reasonable prices. We overseas have seen the necessity of grouping ourselves together in these co-operative societies and in other ways. You are hampered with all your century load of tradition behind you, and with all the ramifications of land tenure and those other things which puzzle a Philadelphia lawyer to understand. But it may be that in meeting together to check our experiences, you will arrive ultimately at some conspectus of the whole which will enable you to relate the various organisations together and make it one federated whole.

Our trouble just now is markets, and we know that to deal with markets we have to begin with the production Overseas. So far as Australia is concerned, and I cannot speak for any other country this morning, we have done a little to get ready for some development that is in store for all of us, and which in my opinion is an absolute necessity if we are to pick ourselves up out of the ruts and out of the troubles which surround and perplex us at the moment. It seems to me that this principle of co-operation, operating through every degree and grade of primary

industries, is the key that is going to lead to the solution ; and it is because of that fundamental principle of conciliation that I see embedded in the principle of co-operation that I so strongly commend it to the consideration of all my countrymen both here and abroad. Their interests ought to be identical and are, apprehended from the point of view of the co-operative movement.

Time was when we had every individual sending his own butter and his own grain over here to sell. We have had to alter all that. We found that the only people who benefited from that were largely speculators who handled the product. We had to betake ourselves to a reasoned argument amongst ourselves as to what was the best road to proceed for all concerned. Our trouble was to get into your market. By means of co-operation we are gradually doing that. We hope by means of co-operative efforts upon a larger scale to do more. At any rate, 75 per cent. of our butter to-day goes through co-operative processes ; the number of our co-operative societies is 200 in Australia, with a capital of £1,350,000, and the income of those societies is over seven million pounds sterling. That is in butter alone. Thus we have gone some way in the promotion of co-operative marketing. The problem is not insoluble ; gradually it is being solved by individual effort, I mean individual effort as distinct from Government effort, for I do not want to see Government do anything to this movement except give it its blessing and a little help where it is seen to be possible to do it consistently with the interests of the community. I believe the individuals themselves banded together in these organisations can do for themselves better than any great scheme of Socialism emanating from the Government can do for them.

Therefore it seems to me that we should bless this principle every day of our lives, and consecrate our efforts as producers and consumers to the development of its opportunities in every relation of life, in the belief that it is going to carry us over our economic and industrial troubles and lead to the beggitting of a better spirit in the community, the spirit of service, the spirit of mutuality, which is the very essence of self-help in the last analysis, and make a contribution that will help to stiffen up this great Empire of ours. It is because of these things I feel it a very great honour to preside over this gathering this morning.

MAJOR E. R. ORME, D.S.O., M.C. (Agricultural Organisation Society, England) : First of all, on behalf of the Agricultural Organisation Society of England, as I may not have another opportunity of doing so, I wish to express our very high appreciation of the enthusiasm and generosity of the Horace Plunkett Foundation which alone has made this useful Conference possible and has enabled us to view our movement from so many different angles. Our thanks are particularly due to Sir Horace Plunkett, Mr. Hart-Synnot and Mr. Walter, in giving us the opportunity of meeting together here, an opportunity which I understand has not hitherto occurred. I feel certain that we in England at any rate will go forward to meet our many difficulties with higher courage and a better spirit because of what we have heard within these four walls.

I should like to thank the many speakers from Overseas who have enlightened us on so many points. When I was asked to address a Con-

ference on the principles and practice of Federation among Agricultural Co-operative Societies, I felt that it was a duty which could be much better performed by Co-operative representatives from Overseas than by myself, because although in this country we may have a sound theoretical knowledge of the principles of federation, we have not yet put them into practice, except on a comparatively small scale. The movement, in twenty odd years, has increased its membership from 571 to 176,500 and its annual turnover from a nominal amount to over 11½ millions; gradually and surely, in spite of much opposition, in spite of the traditional conservatism and individualism of our farmers, and in spite of failures, a solid foundation has been laid through the formation of societies of every kind in almost every County, and having a loosely knit but nevertheless very real cohesion. They are now being advised, each in their respective class, to form Federations for the purpose of buying and selling agricultural requirements and produce.

We who know the movement are not blind to the difficulties, and we do not hesitate to turn to you other co-operators within the Empire in order to better realise the possibilities of better business, the great success which can be attained by combined effort, the imagination and foresight which is essential to visualise and plan systematic marketing and so place our agricultural co-operative movement, and through it our whole agriculture, on a better and more progressive footing. To help us you must realise some of our difficulties. To commence with, the absence in this country of co-operative marketing laws is a handicap. Legislation is required to ensure the maintenance of co-operative associations as such, to ensure the maintenance of control in the hands of primary producers, to preclude the misuse of the word "co-operative," and to afford facilities for the obligatory utilisation of the contract system of co-operation when desirable between producers and their federations.

Secondly, we have numerous competing producers, both individual and collective, carrying on their businesses on a excellent basis, but without the desire or the wish to join hands in pursuit of the commercial purpose they all have in common. One is up against the disinclination of the older, efficiently managed, prosperous societies, with an established goodwill, to pool their resources for the common good. The ideal at the moment is in most cases for each individual society to turn out more of a given commodity, of better quality than any other society, and so bring in more money—a fine ideal, undoubtedly, but more likely to be remunerative if they would co-ordinate their interests. The service of these societies are appreciated by their members, but what is not yet understood is the necessity for a large volume of business through a federation if societies are to be operated at a minimum cost.

Another difficulty we have to contend with is our complicated marketing system, and the fact that this system has behind it in some cases centuries of marketing custom. Adjustment to newer conditions must necessarily be slow. Many of our agricultural products could be fed to the home market, instead of being seasonally dumped upon it. Dealing systematically with cheese, eggs, fruit, wool and grain, sales would be made by Federations in proportion to purchasers by consumers.

Finally, the greatest difficulty of all, there has been up to the present

no connecting link, or I might even say no community of thought, between our great farmers' organisation, the National Farmers' Union, and the co-operative movement as represented by the Agricultural Organisation Society. There has been no cross representation of the two bodies, as Mr. Drysdale has told us is the case in Scotland. For some years we have had in England and Wales two bodies both out with the object of advancing the industry, the one by political means, the other through economical measures, but both without any common meeting-ground or official relationship of any kind. An exact estimate of the mutual membership of the two organisations is difficult to obtain, but an approximate calculation goes to show that between 35 per cent. and 37 per cent. of the total membership of the National Farmers' Union in England are co-operators.

The Agricultural Organisation Society has, up to the present, functioned as the federation of all classes of agricultural co-operative society for purposes of developing, protecting and advancing their interests; but its activities, circumscribed by its constitution, have ceased there and it has not been able to, neither was it ever intended that it should, undertake trading operations. Sight, however, has never been lost of the possibilities of federating societies on a commodity basis, and during the last six or seven years attempts have been made to bring this about.

The lack of systematic marketing and a weak dissemination of marketing information unfortunately synchronises with the gradual but sure consolidation of distributing units, commodity by commodity, which are slowly becoming the vested interest of large middlemen's organisations, certain of them effecting improved services to consumers, but all of them confining the farmer and the farmers' society within a more restricted area of marketing freedom. Our milk market is dominated, wool is gradually becoming so, and pig prices are largely adjusted by a combine; hordes of higglers live comfortably on our egg and poultry industry, and the disparity in price between producer and consumer in all agricultural commodities produced here is probably not exceeded in any other country.

We have very definitely come to the conclusion that the best prospect of success lies in federations formed round one or at most two closely allied products, and that an organisation which handles large quantities of numerous different farm products cannot operate to advantage. To an improvement of this nature, co-operation is the first step, federation is the second; they are a necessary precedent to Government action in branding our produce, and they are necessary to any development of systematic grading by breeders, feeders, and factories, as without standardised commodities we cannot make much progress.

Our co-operative bacon factories have established a registered federation or agency for the purpose of collectively marketing their produce; not every society is a member of this but negotiations are still proceeding to bring those outside into it, with fair prospects of success. There again we have the difficulty of an old-established, financially strong society hesitating to pool its interests and submerge its goodwill in common ownership. A federation of the fruit and market garden produce societies in the counties of Worcester, Gloucester and Warwickshire has also been



formed, but has not yet engaged in trade, although as a bureau of information and as a protective organisation it can function quite effectively.

In Scotland, Mr. Drysdale has been good enough to inform me, there are two Federations, the one of Dairy Societies, the other of Poultry Produce Societies. The Federation of Dairy Societies is not a registered concern ; it was promoted with the object of preventing competition between the societies themselves, and has served a most useful purpose. The Scottish Poultry Produce Federation is a registered body ; of its activities I am not qualified to speak but Mr. Drysdale will, I am sure, give us all the information we require on the subject and on the other federations he has so ably assisted in forming. A most interesting development in Scotland also is the Joint Purchase Committee, representative of trading societies in particular areas. The Committee pools all the orders of the various societies and invites quotations for their requirements. The scheme is found, I understand, most practical and functions exceedingly well, without capital being required. In North Wales there is a Federation of Societies centred in Stapleton Cotton House, the organisation functioning as a central sales agency to a certain point, more particularly in regard to the small dairy societies, and furthermore undertaking accountancy and otherwise aiding the movement. I will not attempt to trespass on the subject of progress in Ireland beyond stating that it does appear, with its export trade to this country, a fruitful ground for the formation of federations..

I trust when another Empire Co-operative Conference is called, and I am sure we all hope there will be another, that it will see our Societies welded into a powerful association which will command a hearing and respect by reason of its widely spread influence on the national economy of the industry, and that the essential solidarity between our societies and federations, which we are in grave danger of losing to-day, will have become an accomplished fact. During the last 6 or 9 months there have been more enquiries as to the possibilities of co-operation than we have received for a number of years. This is all to the good ; unfortunately it synchronises with a time when our movement is facing the crisis of its existence. It is possible this crisis may do us a lot of good ; it may be the means of stimulating that co-operative spirit which is certainly very prevalent throughout the country to-day and only requires to be guided in the right direction in order to make it a tremendous force in the national economy of our agriculture.

Mr. S. J. McGIBBON (Westralian Farmers' Association) : I very much regret in the digest that has been put before you on co-operative efforts that have been made in the British Dominions so far that Australia does not appear to have given very much information to you with regard to what we are doing in co-operative effort. We are particularly interested in co-operation as producers, because out of our total exports in 1922, which ran into 123½ millions, we exported primary products of £115,750,000, and out of that 115½ millions there were 107½ millions of agricultural and pastoral products. I think I am right in saying that 62 per cent. of those commodities are taken by the British Dominions.

With Government assistance during the last few years we have been

experimenting in co-operatively handling the whole of the wheat harvest. The Australian Wheat Board was constituted partly by nominees of the different Governments and farmers representatives, the money was provided by the Associated Banks on the guarantee of the Commonwealth Government, they in their turn being guaranteed by the Governments of the six different States in Australia. In those six years—1915 to 1921—that body handled 637½ million bushels, and the total value of the production they handled ran into £189,676,000. That co-operative effort was brought about, as you all know, through the War. We had to hold our wheat in some instances for two years without shipping any of it at all. We had mice and weevil and every plague that was possible attacking that wheat. Yet we gave a wonderful return to the farmers, never less than 4s. and running to 9s. a bushel, and the total loss by mice and weevil was in six years less than 1½ per cent.

Another co-operative effort, arising out of war conditions, was known as Bawra,—the British Australian Wool Realisation Association. The English Government had been taking the whole of the Australian clip; in 1920 it was to this “Bawra,” that the British Government handed over its surplus. The majority of the wool producers of Australia thought it was going to kill the clips of the coming years; I heard it honestly and sincerely said that they had better take the whole of that wool and dump it in the sea, rather than put it on the market and spoil the other clips. Well, instead of dumping it they have realised the whole of that wool profitably and without upsetting the market.

Since 1921 we have carried on voluntary pools for wheat, and the advances to the farmer have been guaranteed by the Government. Those voluntary pools have handled practically 80 per cent. of the wheat harvest in Australia. Now we are up against this, that the Government do not want to have anything more to do with trade, although it has not cost them one penny piece either during the War or since the voluntary pools have been working; they want the farmers to find their own finances. Although we have big co-operative societies throughout Australia, they cannot find a credit of 20 to 25 millions of money. That is the difficulty that faces co-operation where you have to handle commodities for a period and the farmers want an advance.

We are of opinion that federations must be formed on a commodity basis for the purpose of disposing of the product as a whole; but in Australia we are not in the habit of forming co-operative societies on a commodity basis. We departmentalise. We have in the South Australian Co-operative Society a Butter Department, a Wheat Department, a Wool Department, an Insurance Department. We have a federation, known as the Overseas Farmers in London, which is made up of our South African co-operative friends, our New Zealand co-operative friends, the Federations in those two Dominions and Australia. Mr. Gough, as the representative of the Overseas Farmers here, takes our produce and deals with it in London on a departmental basis. In dealing with commodities in this way we eliminate competition, we feed the market as it wants it and as it will best take it.

Having brought the commodities together, what the co-operative company and the co-operative society must keep in mind is, how are we

going to get finance available for the farmers and producers until their produce is disposed of? If we send wheat or wool or fruit to London it takes six weeks to get it here and an equal time to remit the proceeds. The farmer, having brought his wheat into the market or into the town, hands it over to the co-operative company; he cannot wait three months until he gets his returns. In the past, in dealing with the pools, either compulsorily or co-operatively, the farmer brought his wheat and gave a certificate that he was giving so much F.A.Q. (fair average quality) wheat and got an advance of 3s. per bushel on it. There are also the handling and operating charges to be met. We suggest that it is sound business to any financial institution to make an advance, say, of 80 per cent. on the value of the wheat at the time of shipment. I believe the difficulty is that there is not a bank or one institution with enough money to do it, therefore it has to be a combination. The main thing I would urge upon this Conference is the question of financing the commodities when they are pooled, or when they are brought together for the purpose of extended marketing.

Something has been said with regard to a farmers' audit. Now in Western Australia we have 117 co-operative societies, and as that State is 1,500 miles long by 1,000 miles broad, you will understand it is some distance to travel round and look after the societies. But we have a circuit audit. The auditor is practically all the time going round seeing that their books are kept, and that their finances are in a good state. In this way we know what societies are doing, we see whether trouble is coming, and if the audits are fairly made we see whether they are selling their products too cheaply, or if their overhead expenses are too much; and we are able to help them to amend their ways before liquidation comes. Audit and accountancy are two very important things, and we find it is no use dealing with cheap men; you have to get a good auditor and pay him a good salary. You must have the best brains not only at the bottom but at the top, and you can always get them if you pay for them.

One word in conclusion on the social aspect of co-operation. In Western Australia some of our co-operators are at least one thousand miles away from the centre, so you can guess how isolated they are. Now our co-operative societies there have taken this into account, and have installed in Perth a wireless broadcasting station at a cost of nearly £10,000. It has a radius of 1,500 miles, and we are telling people the market rates, and giving them concerts; we are going to bring those people in the county districts in a very short time right up alongside of the townspeople, and we hope they are going to be more contented through this broadcasting.

Mr. W. G. KLERCK (Government of the Union of South Africa): While listening to the speeches that have just been delivered I realised more than ever what a tremendous force agricultural co-operation is, especially when one considers that it is only in comparatively recent years that it has actually come into being. In South Africa it dates from some 20 years ago, and when I briefly sketch our history I think one or two thoughts will be borne in upon you. The first is, that in different countries

we have different problems. Some speakers have said it is absolutely essential for the success of co-operation that there should be no Government initiative or Government push. You will realise when I give you our history that our Government has played rather a large part in suggesting the movement and in pushing it on to the position it occupies to-day.

About 20 years ago South Africa was composed of four colonies, each with its own problems and its own Government; the old Cape Government in those days obtained the services of an expert in agricultural co-operation from Ireland; they passed a Law enabling them to grant sums of money to various co-operative bodies, something like £150,000. This expert was a very energetic man and a very earnest man, and he did a great deal in forming a large number of societies, mostly creameries and wineries. Notwithstanding bad management, which resulted in some of the societies not being successful, we still have to-day successful societies that were established 20 years ago. In the Transvaal the farmers, after the Anglo-Boer War, were finding things very difficult; they could not dispose of their goods at remunerative prices, and it was very evident to the Government of that Colony that some efforts should be made to combine the farmers and enable them to sell their goods on a co-operative basis. Therefor they passed an Agricultural Co-operative Act which enabled bodies of farmers organised on truly co-operative lines to obtain loans from the Government. In the old Cape movement the societies were formed with limited liability; but in the Transvaal with unlimited liability. Soon afterwards the same law was passed in the Orange Free State. In order to help these farmers to co-operate on proper lines, there came into being, what is still in existence to-day, the Agricultural Co-operative Division of the Agricultural Department of the Transvaal. The Government has since brought into force what is known as the Agricultural Co-operative Act. It combined all the virtues of the Acts of past years, and repealed everything else, and we are starting on a new basis altogether.

Over all our wide areas to-day, we have something like half our farmers belonging to co-operative societies. And more and more are they realising the fact that they must of their own effort finance themselves. Hence we find springing up all over the country a desire to institute what we now know as the "levy." For instance, in the case of fruit, our fruit growers have agreed to a levy being made on their exports at the rate of 5s. per ton. The funds obtained from this levy are placed in the hands of the Minister of Agriculture, and the whole industry benefits from it in a manner which meets with the approval of the Minister. We have had this levy introduced in regard to fruit, tobacco, cotton and various other products. We find to-day that this gradual spirit of coming together is permeating the country and that these farmers meet on a common basis through this levy.

But we have gone a step further, and there again you will find the hand of the Government. We have introduced quite recently the Wine Producers' Act. This Act places the control of the wine industry in the hands of the producers, but it has introduced the principle of compulsion. It is compulsory for wine producers to belong to this controlling Associa-

tion. Thus in South Africa we have in our own way moved towards co-operation.

In South Africa agriculture is our chief industry and by agriculture we must face the future. After the War we found ourselves in the same position as other countries, the prices of agricultural products lower but all the other commodities up. Our farmers came to us and said, we cannot continue under present conditions. As a Government we felt as if we had to give these people a stone when they asked for bread, but our advice was this : your only salvation is through agricultural co-operation ; by standing together and so reducing your costs of production, reducing your marketing charges, therein lies your only salvation against this crushing burden that you are faced with to-day.

In federation we have in South Africa gone a stage further than you. We have two federated Agricultural Associations. One of them has comparatively recently come into being, the Fruit Growers' Agricultural Exchange. This is subscribed to by all members in the industry, and has great power ; it arranges all the shipping, and does many other things of great importance to fruit growers in South Africa. I should like to go into more details, but we have no time, and I should like to say this. It is our earnest feeling that the only thing that is going to help us in Africa, and help agriculture throughout the world, is co-operation. But the spirit of agricultural co-operation is deeper than a mere business spirit ; business methods and management are absolutely essential to its success, but it must depend also upon the spirit. I say it with all reverence, it must be a religion. It is a brotherhood which is binding together all the people of the world in the common need, whether in South Africa, or Australia or other parts of the world. We are not in competition with each other ; we are all working for the benefit of the most important industry in the world, on which the whole fabric of civilisation is built. I think it is right to do our very utmost to inculcate the spirit of agricultural co-operation into our younger people. In South Africa we have a number of agricultural schools scattered throughout the country. These schools are playing a very big part in teaching what agricultural co-operation means to the community. We have a motto in the fruit trade, and I would give this motto to the meeting so far as agricultural co-operation is concerned, " We do not compete, we supplement." We are all supplementing the great British Empire of which we all form a part, if we look at it in that spirit—we must get away from platitudes and from mere expressions of speech, and we must try and inculcate this deep religious spirit of agricultural co-operation. I think with that before us there is no doubt that in a comparatively short time it will be one of the greatest powers in the world.

**THE CHAIRMAN :** Before calling on other speakers a question has been sent up for Mr. MacGibbon to answer relating to the marketing of the wheat in Australia.

**MR. MACGIBBON :** The question is : What was the precise method of financing the marketing of wheat in Australia through the compulsory wheat pools, having regard to the difficulties to which Mr. MacGibbon

has referred in financing schemes on the same lines in the present circumstances ?

The method was that the guarantee of the Commonwealth of the States was given to the Associated Banks to protect them against any possible loss on the realisation. But now, when we co-operators come along to the bank, we have not got the punch behind us that the Commonwealth guarantee gives. Another factor is that at the next harvest we may have to find our own finance. Australia has an immense amount of money in London and not too much in Australia, and it is impossible except in very peculiar and exceptional instances, to get that money from London to Australia. At the present time the Exchange rates between Australia and London run between 2 and 3 per cent. If you have money in London you will not send it to Australia, it will cost you more. Therefore having this big aggregation of money in London when we want it in Australia will militate against easy financing of the future co-operative pools in wheat. We have to find a way out, and I believe the Australian Government are trying to help us to the extent that they are going to issue Treasury Notes against the accumulated balances in London. There is a Bill before the House of Representatives at the present time.

THE CHAIRMAN : I think it is through the Senate, and that reconstructed Bank Bill is intended to group the resources and overcome the difficulties referred to by Mr. MacGibbon ; it is a question of seasonal financing, and I do not think it will be a very great difficulty after all.

THE HON. W. C. MCKINNEL (Manitoba) : One thing that we have found in Manitoba is the absolute need of a central organisation. Every member is levied for a certain amount for the upkeep of the central organisation in Winnipeg which we found to be absolutely necessary. It acts as a clearing house from which all information could be disseminated to the different local organisations through the country. A variety of things have been carried out by this Association. One of the latest is the matter of cattle pooling. We have a cattle pool now in the West which has turned out very satisfactory. Farmers would send in different classes of cattle, absolutely at the mercy of the middleman in the stockyard. They had no individual to look after their interests. This central organisation has a man at the stockyards ; the cattle come in and are sorted out into the butcher or canner class, whichever they happen to be. The prices they fetch are pooled amongst the different farmers.

Mr. Dunning explained the wheat situation in a very clear and concise manner. In the Wheat Pool we are compelled to deliver our wheat ; as Mr. Dunning told you, 50 per cent. of the acreage of Manitoba is signed up in that way. But Manitoba farmers are going to gain one thing from the Pool which Mr. Dunning did not mention. We hope, through the Pool, we will be able to send our wheat over here as it is delivered to the elevator, which is not the case now. Our wheat is the finest in the world—(Laughter, and “ We get higher prices in Australia.”)—I thought that would raise a storm ! Our wheat is the finest in the world when it leaves the farmers’ hands ; but it is not the finest wheat when it comes

over to the British Islands, I am sorry to say. (The Chairman: Ours is even when it gets here.) Not only in our own country but in America where an enormous amount of our wheat has to pass through, it is adulterated with their softer wheats and their poorer grades before it is shipped. Through the installation of hospital elevators we shall be able to handle any wheat that is damp, smutty or soft. If the farmer is able to sell his wheat in the condition in which it is handed over to the Elevator Co. we hope he will gain at least 5 to 10 cents a bushel more.

It has been well said here to-day the co-operative spirit has to be a religion. We are getting it amongst our younger people, and as these young people grow up you will find a stricter adherence to the principles of co-operation. I am taking a great interest in these Conferences. I am going to take what I have heard back with me and tell the people what is taking place in South Africa, New Zealand, Australia and in the British Islands; I can assure you that I have learned a great deal at this Conference.

Mr. J. DRYSDALE (Scotland): I suppose it is very generally known that we Scotch people are a very modest people; withal we are a very cautious people, and we do everything carefully and cautiously. We realised when we began to promote agricultural co-operation among our farmers that that great movement must be carried on step by step and only one step at a time. In the few minutes at my disposal I will tell you what led us to form our federations.

Eighteen years ago some districts in Scotland went in for organisation, in the Islands and in the Highland districts where the farms are small and where there was great need for the promotion of organisation. These people were entirely in the hands of middlemen who went about with grocery vans taking everything in the nature of farm produce which was produced, and not giving cash, but goods. It was a rotten system. We started to do something to promote co-operation amongst the poultry people—they all kept poultry of a kind. We had to do something to improve the breed of poultry, and to educate them as to the produce which should be put on the market, and that has gone on very successfully. We felt there was no better medium for the organised farmers than through the organised consumers' organisation. We made an arrangement with one of the best managed distributing associations in Scotland, to take the produce, properly handled, of these people.

After we had 50 or 60 associations, I began to suggest that the time had come when we ought to get these societies federated together. Our societies could not push forward their supplies of eggs direct to the distributing societies and get rid of the unnecessary middleman; that gave impetus to form our federation of poultry societies. That Federation began modestly; I think the societies were only called upon to take five shares each, on which 1s. per share was paid up. A few of us became guarantors to the bank for any overdraft. That federation has done splendid work for those societies; it not only sells everything in the nature of produce, but it also supplies them with things they need in bulk.

We have also a federation of dairy societies. It has not yet got to the state of marketing the produce of the societies; I hope the next step

will be the creation of a marketing agency. In our milk sections we have adopted the policy of meeting in conference with the wholesale distributors, and the producers are represented at these conferences by representatives of the National Farmers' Union. We have the greatest difficulty in getting decent prices ; the representatives of the S.C.W.S. are doing everything in their power to cut down prices. We went into the matter of costings very carefully ; we were able to show what this material was costing to produce.

We have another federation, created for the purpose of filling the farmers' requirements. Against the advice of the National Farmers' Union of Scotland we refused to create a wholesale trading department. We had seen how disastrous the scheme had been in England, and we did not want to get into the same mess ; we adopted a far simpler process of grouping our societies round a particular distributing centre, and we invited the societies grouped in those areas to appoint two representatives each and let us have a Joint Purchase Committee formed. The gentleman who is acting on behalf of the group invites quotations for the different commodities for the community. We always make a point of getting quotations from the Wholesale Co-operative Society, but I am sorry to say for a period of years now their quotations have never been such that the societies could see their way to accept. I am using that merely to show that there is a great deal to be done before we can effect some of the recommendations brought before us yesterday. We can be wooed, and there is a way of wooing ; but we shall not be rushed, not even by skilful political action. The leaders of that movement must, if I might offer a word of advice, get back to the great principles which animated the Rochdale Pioneers. They have drifted a long way from that, and engaged in speculative tyranny, and put up the backs of the farmers by engaging in what we think they should have left alone

(Resolution put and carried unanimously.)



## *Future Work of the Conference.*

AFTERNOON SESSION, WEDNESDAY, JULY 30TH, 1924.

*Chairman* : The HON. JAMES MACNEILL, High Commissioner for the Irish Free State.

*Subject* : The Existing Relationships between Agricultural Co-operative Movements in Different Parts of the Empire and the Prospects of their Development.

THE CHAIRMAN : I am very glad to be associated with the work of this Conference. The prosperity of my own country depends on its agricultural development, and I am personally quite convinced that the most hopeful method of promoting the social and the industrial development of an agricultural community is the co-operative method. A modern writer has expressed in rhyme a sentiment which I do not know that he intended us to take too literally, that

“ Down to Gehenna or up to the Throne,  
He travels fastest who travels alone.”

It is very much easier to go down alone than to go up alone, and any lonely travellers who have found their way upwards to any throne that is worth reaching have also kept the secret to themselves.

Before I make way for those who will we hope clear our minds and inspire our conduct, I should like with your permission to say just a few words regarding our experience of agricultural co-operation in Ireland. I was very glad to see that at the opening Session of this Conference the Minister of Agriculture, Mr. Noel Buxton, paid a very just tribute to the great work of Sir Horace Plunkett in Ireland. That work, as I think you know, was preceded by an earnest and thorough study of agricultural conditions both in and out of Ireland ; in spite of many difficulties, the persistent, efficient and energetic advocacy of Sir Horace Plunkett, with the happily selected colleagues and friends by whom he was helped, resulted in a steady advance of the co-operative movement in Ireland for about twenty years, up till about ten years ago. At that time the voluntary association which Sir Horace Plunkett founded, the Irish Agricultural Organisation Society, was regarded as a national institution, it was doing excellent work for the country and had a very fine record of co-operative achievement at home as well as of inspiration and of guidance to co-operative pioneers in many lands.

Ten years ago we began the stormy period in Ireland. During those storms the Organisation Society and its workers were perhaps less concerned with making headway than with riding out the storm, and they

did ride out the storm. When the storm was over the ship was found to be seaworthy and continued steadily on its course, and on its flag was clearly inscribed the words, "Better farming, better business, better living." I think that this expressive triolet sums up the agricultural policy of the Irish Government. But the action of the State has got its obvious limitations, and I think that we are fortunate that we have, at a time when we are beginning to construct our State, an agency in full working order, and resting on popular support, which is capable of effectively translating and supplementing the State policy as regards rural development. The State can, as we know, help those who help themselves, but again I should like to express my concurrence with another view which has been put forward by the Irish Agricultural Organisation Society, and that is that without the genuine co-operative spirit there can be no real and permanent progress. I subscribe to that doctrine. I think it is not only true of my own country, but I am equally certain that it is true of any other country. I have worked over a fairly large field in a very large agricultural country, namely India, and I am quite sure that there also permanent progress will depend on the belief in the co-operative spirit, with which I ought to say the great majority of the people of that country are by no means unfamiliar.

What we have learned in Ireland is that the ideal of better farming, better business and better living cannot be properly attained and satisfactorily reached unless we actively cultivate the co-operative spirit, and we have seen the agencies for promoting co-operative development overcome many difficulties and survive many storms because it appealed not merely to the self-interest of individuals, but to the moral sense of an increasing body of supporters. I think that, in our co-operative movements in our several countries, if we cultivate that co-operative spirit, the relations which are established with co-operators Overseas in other countries will rest on the surest foundation.

I do not propose to detain you any longer. I make way for gentlemen who I have no doubt are as much convinced as I am of the need for the spirit of co-operation, but are undoubtedly better acquainted with the movement and better equipped for suggesting methods of reciprocity in the co-operative efforts of the rural communities spread over five continents whose representatives are here to-day both to practice and discuss co-operation.

PROF. W. G. S. ADAMS (All Souls College, Oxford): When one looks at the question put down for this afternoon's discussion, I notice that it falls into two parts, the existing relationships between agricultural co-operative movements in all parts of the Empire, which is a question of fact, and the second part, the prospects of their development. These are such wide subjects: the first might almost be called a hypothetical subject at the present time, for, as a member of this Conference pointed out to me this morning, the existing relationships somehow do not exist, the predominant fact is the scattered and unrelated state of the co-operative movement in English-speaking countries. It is very true that already, as these very instructive gatherings of the last two days have brought home to us, we see the beginnings, in all parts of the English-speaking world, of movements relating to the different sections of co-operative

development. What we have heard of the development of the Wheat Pools in Canada and elsewhere showed us how the co-operative movement is necessarily actually overleaping the bounds of Provinces and States. Or again, the work of the Overseas Farmers gives us an example of the linking up of different Dominions in the problem of marketing in relation one to the other. These are very instructive beginnings of the inter-relations between different co-operative movements in the English speaking world. But the fact which stands out is the scattered, divided character of the movement, and the need which there is for any means by which we can get together and be got in touch one with another. This Conference and this very imperfect but most useful survey of the co-operative movement throughout the English-speaking countries marks another milestone in the way of bringing together and giving unity to the co-operative movement throughout our English-speaking world.

We are faced with two facts ; first, the position of these islands where the industrial life dominates the situation, particularly in Great Britain. The movement has had its particular difficulties ; compared with European countries we stand in a very backward position to-day as regards agricultural organisation. Yet there are things that are full of hope. Even the divisions—devolutions rather than divisions—which are taking place, the development of the Welsh movement with its individuality behind it, the development of the movement in Ulster—these things, though they may seem separatist in character, yet point the way also to the need for common thinking and for common action. We have suffered in the past not only from the difficulties in the development of the movement in this country, but from the lack of any common meeting ground between the different co-operative groups in these Islands. On the other hand, in the Overseas countries—and it cheers us greatly what we have heard—we feel the pulse of a strong co-operative life developing ; and one of the most remarkable things, I think, to us who have listened here during these days, is the testimony which has come not from one, but from every single one of the British Dominions, as to what the co-operative movement is meaning to them to-day.

Yet, from the nature of the case, they are scattered widely apart, and one of the problems which must face us as a commonwealth is the question of what we can do to help to bring the different parts closely together and to create common understanding one with the other. Turning for a moment from the British Dominions to the other great spheres of co-operative development, to the countries in Europe, to the new world of the United States, I ask you to think how significant for us the co-operative development of these countries is. We do not always remember how very recent the development of modern agricultural co-operation is. It is since the middle of last century, a very short time ago, that we have seen the rise of the modern movement of co-operators, and it is mainly after the 80's in European countries, and later in the United States—in fact the great movement in the United States is still more recent, but it is from the period of the 80's that most of the European countries have had their great development. And it is not only in Europe, it is in the far East, it is in all parts of the world—every country under varying conditions, climate, economic problems—every-

where we find States and peoples turning to the co-operative system as though it is suited, and alone suited, to the development of their rural life. We cannot forget the fact that no State is turning its back on co-operation. Visiting recently some of the co-operative schools in Europe, particularly in Denmark and Sweden, one felt here was the intensification of the movement. If one looks in Germany and France, despite their difficulties, the movement is almost more vigorous than in the period before the War. You have only to think of what has happened in the United States, especially since 1919, and the enormous energy of State and voluntary agencies thrown into the transactions of their agricultural and rural life by co-operative means, to see how significant this movement is. That clearly bears on our problem, not simply for us as individuals, but for us ultimately as States. It bears on the problem of what can we do to develop—not only amongst ourselves as individuals, but collectively, co-operatively—our efficiency.

That brings me to what is the main question of this argument. We have reached a stage in the Conference where we have seen how many and how varied are the problems which are presenting themselves to our communities to-day, and yet I think everyone of us must feel that half has not been told. We have only touched the skirts of the many problems, and there are fields in the development and in the realm of co-operation to which we have not even made reference—the great field of insurance, one of the problems closely allied with the problem of finance and credit, the problem which has engaged and received a remarkable development in European States, a problem which has far-reaching influences for us as a great stock raising country, for every one of the Overseas States—we have not time to explore it at all. There are many others. We have discussed some questions of principle, some differences of experience—and one felt how much there is to bring together, in this field, what a rich experience, how much to analyse and think out and present to ourselves, how full of meaning it all is. Are we going to follow it up? That is the question. We are face to face with a huge problem, something which deals not only with our economic life, but with the whole social structure of our rural civilisation, with the balance between town and country; it goes down into the most vital questions of our community life. This is a question that we have to go on patiently and steadily investigating and examining.

Now the question I ask is this: How can the work of this Conference be carried on? Do we not require for this great movement something in the nature of a clearing house which will be the exchange centre constantly in touch with every co-operative group—not with every co-operative society, but with the great representative unions of the different countries, in touch with the Departments concerned with co-operation, to get the experience that is arising in different parts of the country and pass that out, and pass back in return the experience from other countries, an exchange centre constantly, not by publication simply, but by direct communication, steadily spreading out, as quickly as it comes in, the light that it gathers from different parts of the world on the co-operative movement? Primarily, it seems to me, such an institution is wanted for the English speaking world; but if it is to

function properly it must watch the developments which are taking place in other lands no less. It must see what is happening in Europe and the United States, and in other countries. It must be a centre from which all that is available can be as quickly passed out to those who are part of this great co-operative community, and to the British world, as it comes in.

That brings me to another point. If there is to be such a centre is it not clear that it must be here in London, that here we have the place where the great Overseas Dominions are themselves represented, where we can keep in touch, where people are coming and going all the time, where there is the great market centre, where there is the centre also for close study of the countries adjoining, the European countries and the great countries overseas which are sending their produce to us? There has been one institution similar in character established now for over 15 years, namely, the Agricultural Institute in Rome, and that institute has done valuable work, not only in attempting to do the very important service of getting out a common statistical basis of information with regard of agricultural produce, but it has also been the centre which has brought together information with regard to co-operation development. But great as is the service of the Agricultural Institute at Rome, it cannot do the work that such a clearing house would do. We need an institution specially suited to our own requirements, and that institution in turn would keep in touch with Rome—and feed Rome where necessary, because it is the principle of the co-operative movement that we must give as freely as receive. We must not be afraid to give to Denmark the best information we can give, if we ask Denmark for information about herself; and while such a clearing house would serve primarily the English-speaking community, the information should be at the service of the whole co-operative world.

There are only one or two other things I should like to say in this connection. Such a clearing house must deal with the whole thing, watching over developments not only affecting better business, but also better living; because we have felt—and it is one of the splendid things, it seems to me, that in this Conference the note has been struck again and again—how absolutely inter-connected in the long run these two things are. Yet let us not forget what Sir Horace Plunkett made so clear, that better business is the centre, that it is on the foundations of economic security and on that alone that you can build safely your good social life. Such a clearing house must serve the whole field and show us how vast the field is.

One other thing. If there is to be such a clearing house it must be something which belongs heart and soul to the co-operative movement itself; it must look to the co-operative movement itself for support from all over the world. Surely a movement so great, with such possibilities in it, can see to it that such a thing is properly supported. I have only to say this, on behalf of the Plunkett Trustees, that they are prepared to do all that they can to help in the initiation of such a clearing house. They are prepared to help with the initial expenses in seeing that it is established, but if such a thing is to be what it can be, it is only through the whole-hearted co-operation—by information, by work and by money

—that such an institution can be maintained, and can truly serve the co-operative movement as a whole.

Mr. W. H. WILSON (Deputy Commissioner for Canada) : I would like to take this opportunity, on behalf of Canada, to express our appreciation of the opportunity that Sir Horace Plunkett has given the Overseas agriculturists of meeting in a conference of this kind. His work is well known in many parts of Canada, and where known is very much appreciated ; his name in many sections is a household word. I therefore extend Canada's sincere thanks and appreciation for this opportunity of meeting in conference. I would like, too, to take this opportunity of referring to another speaker at the Conference, because I am not one of those who believe in waiting until a man is dead before you say something good about him. I feel very much gratified at the reception that the Conference has given to the Hon. Mr. Dunning, Premier of Saskatchewan. Mr. Dunning is Premier of my own Province, and a native of my own city. We appreciate him just as much at home as you do here, a good deal more so, because we know him a good deal better.

The Resolution which I would like to move relates to the reference that Professor Adams has made to the need for a clearing house for co-operative movements throughout the world. The Resolution is as follows :

THAT in view of the importance and urgency of reliable information as to the position and progress of the agricultural co-operative movement in all its branches, there should be established in London a clearing house of such information for the service of the movement primarily throughout the English-speaking world.

THAT the Trustees of the Horace Plunkett Foundation be hereby asked to consider steps to give effect to the above Resolution.

I believe that those who have attended the sessions of the last few days will be impressed with the same necessity that I have been impressed with, and also the importance of having such a resolution receive the sanction of the Conference. We have heard from speakers from South Africa, Australia, New Zealand and Canada and Ireland, as well as this country, of the diversity of movements both State, Federal and smaller sections, and of the various types of movements that these countries are undertaking. The splendid publication that has been placed before us gives most of us for the first time a meagre conception of an Empire co-operative movement. Of necessity the scope of the publication had to be curtailed ; but we have got a faint idea of the enormous possibilities of dissemination of information that would be helpful and beneficial to all of us.

I have had the privilege of travelling more or less, particularly in New Zealand and Australia, and that during quite recent years. I was deeply impressed with the efforts being made generally for the co-operative enterprises, and I was more impressed than ever with the diversity of these movements. In Australia where they have these State Governments and a Commonwealth in addition, the movements are more or less

isolated. In New Zealand the mountainous region has created a natural barrier between communities. We have heard of the work they are doing in South Africa, and I congratulate them on the effort to bring this co-operative movement closer together, centering the groups under one legislative head. Coming to Canada, our interests are well diversified, having nine provinces with widely varying conditions. Co-operative movements have been taking place suitable to the conditions in the respective districts, but there is wide diversity of population and great lack of information as to details. I think we have heard enough of the diversity of the undertakings to convince most of us that the Resolution is well worth our serious consideration.

Professor Adams referred to the Institute of Agriculture at Rome. I have been privileged to represent Canada at that Institute, in May, 1922, and I would like to make some further reference to it. It had its origin in the brain of a resident of California, an emigrant from England. He conceived the idea that a statistical clearing house for the world would be of great benefit to all classes of producers. It began to function in 1911, and by 1913 they had succeeded in interesting 62 countries in the Institute. These countries were classified into groups and the finances were arranged on the basis of the standing of these particular groups. As a result of the War they have found themselves very seriously handicapped financially and the usefulness of the undertaking has been curtailed. But at the Conference in 1922 I had an opportunity of seeing at first hand the possibilities of the general service that such an institution could render.

The Horace Plunkett Foundation's opportunity is to render special assistance to those who are seeking to unite in a co-operative effort. Generally because of lack of information, we too often repeat circumstances which are not in accordance with the facts; statements often appear in the Press and are made on public platforms which if co-operative movements were properly organised would be impossible. The introduction of the word "co-operative" into the name of a body in the country is not to solve all the problems. We hear a good deal of the principles of co-operation, yet there are a good many diversities in the various countries which must be taken into consideration. It is because of these diversities that a recognised centre of information becomes a real necessity. For instance, it is the beginning of failure for leaders to cite examples from other successful organisations without bringing out differences of detail; it may lead new movements to start on wrong lines. It is very necessary that, throughout the various parts of the world, we should secure all the information we can, that we benefit by the experience of those who have started those undertakings, and that we profit by that experience in our co-operative effort; and if we have started on the wrong lines, if we have followed wrong practices, it is by that method also that we can correct flaws that may exist in the particular organisation which we represent. I have very great pleasure in moving this Resolution.

KHAN BAHADUR MOHIUDDIN AHMAD (Registrar, Bihar and Orissa): It is with very great diffidence that I have come up here to second this

present resolution, but I feel that there is no other country where the need of such an institution is felt as it is in India. I will just give you some idea of what are the conditions in India. The income per head is about £2 a year. The illiteracy is about 90 per cent. A gentleman who plays an important part in the economic life of our farmers is known in our language as *Mahajan*, it can be translated into "Shylock" or "usurer," and I am told in Ireland they call him "gombeen man." The interest charged by these usurers is 35 per cent., sometimes 150 per cent. I have examined hundreds of cases, and I have found that 90 per cent. of them have never paid their debt, although it has been coming down to them for two or three generations. So when we took up the co-operative movement we had to face this gentleman, mahajan, and tackle him first, because we think that unless our farmers are first relieved from this burden of debt, no institution will be of any good to them. That is why we attach great importance to credit societies.

There is another thing in India which is a great curse—it is that we do not know how to use our money. Perhaps there are some parts of Ireland also where they keep their money in their stockings. The co-operative movement has done two great things in our country; the first is that it has relieved the usury-ridden cultivators from the load of their debt, and we are digging out this hoarded wealth and spreading it for the benefit of the people. At present in my Province, I have about 6,000 societies with more than 100,000 members and a capital of about £80,000. I must say something about the inspiration we have got from the parent country, particularly from the Plunkett House in Dublin which I visited the other day. It is my ambition to have such an institution in my own province.

But, as a Registrar, I have often felt the necessity of information, to know what is going on in other parts of the world, and particularly in the British Dominions. I welcome this Resolution because it will be a very great help to us. India is a limb of the British Empire, and you should not neglect it. You should think about it. You should think of the crushing poverty under which it is suffering, and remember that if every family in India could buy things worth £1 more than he is able to do at present, there would be no question of unemployment in the British Islands. With these few words I second the Resolution.

Mr. HAMEL SMITH (Editor "Tropical Life"): I want to thank Professor Adams for the able way in which he advocated the claims of an Imperial Clearing House. I can tell you it is very badly wanted. I would like to go one point further. I am very anxious to see a central bureau of publication of agricultural matters right through the Empire established in London. I am quite willing to agree that Rome has done excellent work, but when you are out groping, you do not want figures two years old. I would like to have particulars every month of all the important crops produced in the world. You can have them. West Africa and Trinidad and all those places send me their figures regularly, and so in July in making my reports I can give the figures to May, and that is quite as good as I can get from the Board of Trade for the returns in the United Kingdom. I would suggest that a place like the Imperial Institute,



where we are more or less close together, should be the central depot. But I do hope that one day the agricultural administration of the Empire may be put on the same basis as the War Office; that we may have a building in the City of London with a Minister of Production throughout the Empire, so that the whole question of agriculture be put on that plane which it ought to occupy. Agriculture is the mother of everything else. Somehow or other this factory-ridden old England seems to think it of minor importance. But that will not do if we are to progress. I ask you to support my proposal that the central clearing house should also include a clearing house of publications.

Mr. PHILIP MORRELL: I think the idea of a clearing house is an admirable one; I am delighted to think the Horace Plunkett Foundation might establish it in London. As Professor Adams said, the trouble about existing relationships is that they don't exist; the only way to make them exist is by the dissemination of trustworthy news. In the very country where we propose to have our clearing house, lies the greatest need for such information, probably a greater need than in any other part of the Empire. There is no place, as we know from that admirable report, the Official Report of the Agricultural Tribunal, to which Professor Adams, as one of the authors, was too modest to refer—there is no country in which agricultural co-operation is so backward as in Great Britain. But there are signs of an improvement. There is no doubt that farmers in England generally are waking up to the idea of what co-operation can do for them—co-operative marketing, as I should like to call it, because that is the most important side of it. I remember still what an enormous impression was made on me nearly twenty years ago when I first read that admirable book, "Organisation and Agriculture," giving a short account of what had been done in the various countries of the world. Since then I have read regularly the Journal of the International Institute in Rome, and the excellent "Irish Statesman" to which reference has already been made. We have had also Aaron Sapiro's admirable book on Co-operative Marketing in the United States of America, in which you get a real account of all their difficulties, their problems, their failures and their successes.

That is the sort of information we want in this country, and the sort of information which I hope we shall get. What we want, as my friend from Canada said, is not to preach of the excellence of co-operation, but to bring this down to a practical basis. We want to know the sort of society that is likely to succeed, the sort of goods which will make the best appeal, how you can best distribute milk. Mr. Hart Synnot and I are trying to tackle in a practical way in Oxford what are the respective advantages of what are called single purpose societies and general trading societies. You want to know the best area to cover, you want to know how those societies can best be financed, and to what extent it is necessary that there should be contribution between the members and the societies. On all these matters there is an immense lot of experience available if we can only get hold of it, and I do most cordially support the Resolution moved by Mr. Wilson, and I hope we shall before long see some such a clearing house in existence.

Mr. R. HART-SYNNOT : I did not intend to speak at this Conference, but I must just follow the remarks that have been made this afternoon very briefly if I may. It has been said by previous speakers that as regards our subject to-day there is no relationship between agricultural co-operative movements in the different parts of the Empire. Mr. Dunning and other speakers have pointed out that you cannot lay down any hard and fast rules which are applicable to all branches of our co-operative work ; each type of agricultural business, and the business of each locality, has peculiarities of its own which must be dealt with specifically. But at the same time there seems to me to have stood out from these discussions certain points which vary only in degree. May I refer very briefly to four ?

First of all this question of loyalty, one of the rocks on which co-operation has split from the time it started. We have apparently every gradation of how to deal with that question of loyalty. We have heard to-day from South Africa that loyalty of the member is now to be replaced practically by compulsory rules, the relationship of the member to his society is no longer to be purely a question of how much the individual can give, but he is to be tied up by definite contracts. Then from that very firm, legal, definite position, we come down to perhaps the bottom of the scale, and see the country where we go cap in hand to our farmers and say, " If it is quite impossible for you to do your business in any other way will you join our society ? " Any body starting as a co-operative society, it seems to me, should be able to study this gradation of every type of relationship which can exist between the member and his society, so that they may measure which of those various types applies to their own conditions. If that information is available, then new societies may avoid all the loss of buying their own experience.

The next point that stood out in our discussions has been the question of federation. When we started our meeting this morning one speaker wished to advocate a federation of one type and other speakers wished to advocate an entirely different type, the exact opposite ; one said, have a special purpose type such as exists in Denmark, and the other the general purposes type in which your federation deals with all types of agricultural co-operative business. Then we had the Irish experiences the other day which are a kind of halfway house, in which certain commodities are amalgamated and others kept distinct. Here again we want for our Empire some clearing house with all these ways of meeting this common problem clearly recorded, so that any part of the Empire which has to deal with this problem can come to that centre and get information.

Thirdly, and not least important, comes this thorny problem of the relations between the producer and the consumer. There again in our discussions every gradation seems to me to have been touched on. Our Scotch friends seem to have found separation between the two sides to be the best plan ; in other parts you find the two sides almost living in one another's houses ; and between these two extremes you have every conceivable gradation. Well, the important point about this seems to me to lie in this fact : the real trouble, and one of the worst grievances and blots on the industrial organisation to-day, is the fact that the

business world is being conducted by immense middlemen corporations whose interests are entirely diverse from either the producer or the consumer. It is the most urgent of our problems ; it is most important to get the two sides, as they did yesterday, to recognise each other, to agree to each other's separate existence, but to work together to get rid of this common evil, the excessive costs of distribution ; and I am most grateful as an agriculturist for the presence of Sir Thomas Allen and Mr. Alexander and other industrialists who came right into the hornets' nest to take part in our discussions. Here again in different parts of the Empire we shall have every variation of this producer and consumer problem, and again we want a clearing house to record what is actually going on in different parts of the Empire.

I just wish to supplement what Professor Adams has said. The Horace Plunkett Foundation is prepared to undertake this setting up of a clearing house of information if Canada and the other big Dominions will help us. We will begin in the home country, and get it started in London ; but it will never thrive unless we really get definite support from the big Dominions.

The last point in this discussion has been of a rather different type. This morning a representative of South Africa described co-operation as a religion. Our very practical supporter, the Prime Minister of Saskatchewan, described the early work of co-operation as the work of an evangelist. Well, I think we have got to realise that if we are going to make our co-operative movement really thrive we have got to get running right through it this spirit that we are not merely out for an extra 2s. 6d. per lb. for some of our commodities, but we are supporting the introduction of a higher type of economic organisation which is really superior to the Joint Stock system which we are attempting to replace. We must not forget that. The spirit of doing something which really matters for the life of your country, that is what evokes the real driving power of any movement.

MR. ALEXANDER : I have been feeling as I have been sitting in that chair yonder that the agricultural movement still has lots to learn from the industrial movement. The problems you are discussing of getting into touch with the experience of others who are moving along the same co-operative lines as you are trying to move along, are problems which we have been discussing and grappling with in the industrial movement for years past, and I feel certain that the Plunkett Foundation, in this very estimable object which is set before us in the Resolution this afternoon, could find a very great deal of helpful experience in the industrial movement. We have had no reference to the International Co-operative Alliance, covering now some forty million co-operators in the world—and it must not be forgotten by a Conference like this that a very large number of the members of the International Co-operative Alliance are not consumer members ; they are members of agricultural co-operative societies. It is, I suppose, because there has been a lack of federation in the agricultural movement that international development of it has been so backward and so slow. If you are going to get good relationship between English-speaking peoples practising agricultural co-operation,

or far more a world movement, an international movement, you must get efficient federal organisation in your various countries in your agricultural movement. We have found in the International Co-operative Alliance that the best way towards building up contacts amongst the co-operators of the world was to have an organisation which consists of federations from all the nationals, and that is leading to a development which is not staying at the promotion of the propagandist and educational campaigns, but its leading now into practical trading relationships between the co-operative movements of the various parts of the world. I agree that some of those trading relationships would not be applicable to the agricultural co-operative movement, but there are treaty considerations which even the agricultural movements of the world must have before they enter relationships of the kind that you are seeking to develop this afternoon.

Mr. Wilson, I think it was, said in the course of his speech that to stick the name 'co-operative' in the title of a company was not going to create co-operative success for the body. I entirely agree. We want to get complete information of the law with regard to co-operation in our countries, and if I may say so to him and to my friend, Mr. Dunning, we are only beginning to learn in this country, which was the birthplace of co-operation, how necessary it is to protect by law the constitution, the members, and the products of co-operation. I think it is in the company law of Ontario State that conditions are laid down, rigidly and fairly, without complying with which no company or society can call itself co-operative.

One other point. Professor Adams said we had not practically touched as yet the subject of Insurance with regard to agricultural co-operation. The International Co-operative Alliance, although struggling with the preliminaries of the matter, are tackling the question both of insurance and banking not merely from a national, but from an international point of view. It is only when we get the agriculturists, as well as the working-class consumers, to realise how enormous is the grip of the banking corporations of the world upon not only industrial production, but upon agricultural production—which only the producers' own self-help an collective enterprise and finance can overcome—that we shall really get the progress we ought to make.

So far as the banking of the British industrial co-operative movement is concerned we have practically solved all our difficulties by our own self-help. No bank can hold us up in this country, because we bank for ourselves. No bank could hold up the credit system of the agricultural producers of the world, if the agricultural producers would band themselves together internationally for banking and finance. And that is not a job too big—it is not a problem hopeless of solution—if only they will get together and work along those lines.

I welcome the Resolution, but I hope that we shall see not merely a clearing house for statistical information and the broadcasting of educational information, but something far more catholic that will help in a far more practical manner by getting together the wisdom of all the co-operators of the world, and making general progress towards what I believe is yet possible, a world Commonwealth.

**MR. HAROLD BARBOUR :** No one in this room is more ready than I am to pay a tribute to the great value of the work of the Co-operative Alliance ; but I think our industrial friends have accomplished what they have accomplished by being possessed of something which we agriculturists do not possess, namely a very accurate knowledge of our own position. Now, while it may be that in time our interests will be well and safely confided to the International Co-operative Alliance, I feel strongly that there is an intermediate step to be taken. We have to put our own house in order ; we have to learn for ourselves our weaknesses and our strength. If one looks at any big business one forgets the stages through which that business has been built up. It is true that to-day in the commercial world you may see big Corporations coming to England from America and starting a complete factory, but where did the information that enables them to start a factory come from ? It was studied out in some small industry that by its successful management grew into the big corporation. It seems to me we have got to go through that process somehow or other. It may be that by the foundation of this clearing house we may take a certain amount of short cut, we may profit by the experience of the farmers in other countries, and so avoid a great deal of failure, and a great deal of expense that otherwise each section would have to go through. I think we will have advanced a great step, I think we will have accomplished a great deal, if we establish a clearing house for the benefit of the English-speaking co-operative agricultural movements of the world.

**MR. SMITH-GORDON :** I hope this meeting will be satisfied before it actually passes the Resolution, not only that it is good a thing to establish a clearing house, but that the people whom you all represent here to-day are really going to use that clearing house when it is established. I have a particular reason for saying that. I believe there are quite a large number of craftsmen in the world of one kind and another who like to forge weapons of precision, and when they have done it they are so much struck with the beauty of the weapon they have forged that they are very reluctant to let it be sold or pass into the hands of a user. That may be a reasonable feeling on the part of the craftsman, but if weapons of precision are not used they grow rusty. We had and still have in Ireland an institution, the Co-operative Reference Library in Dublin, for the very purpose of filling such a need as we are discussing to-day. We felt at the time, and I still feel, and I think everybody else associated with it feels, that that work was worth doing, and that those people who did come benefited to some extent by it. I know that at least three or four people put in several months' work in the library getting information there, with the practical assistance of the Irish Organisation Society, and that several of these people are actually working in various countries at practical co-operative work as the result, or at least with the help, of the information gained there. Apparently because such bodies as the Horace Plunkett Trust were good enough to keep the library alive, people seemed to take it for granted that they rather liked doing it, and if at any time they wanted information, they could come along and get it. With the exception of those few enthusiastic students it is right to say that nobody in the wide world which has been referred to to-day cared in the least

whether we were there or not. That library is still there and still accessible.

There are sufficient reasons why the Co-operative Reference Library cannot do the work which it is proposed here to do. I have given you that little bit of history, not to put up the Co-operative Reference Library as against what is suggested, but simply that we may be quite certain before we actually pass this Resolution that our friends from other countries and from Overseas are not going to go away from this meeting and after three or four months find themselves in the attitude—well, the Horace Plunkett Foundation have set up this thing in London and perhaps some day we will go and look at it. If the thing is set up in that way I suggest to you that it will after three or four years fail of its purpose; it might even assume the same position as one celebrated department of the British Civil Service which was found to consist of an old gentleman with a long white beard sitting with a copy of "The Times" in front of a fire and saying that he was The International Exhibition of 1857, or some time like that, and they had forgotten to abolish him. I do not want us to pass another Resolution to-day and set up another institution with a result of that kind. I particularly want this Resolution to be passed, and I particularly want the Horace Plunkett Foundation—and I think all my fellow Trustees are agreed—to have the privilege of being the first to undertake to a reasonable extent the financing of it; but we do not want to be led into doing it unless it can serve a practical purpose in future, and we do feel it cannot do that unless the people and the representatives of the other countries are really going to stand in with us and use it. I would also say this, that probably those other countries will not take that interest which I should like to see them take in it unless they also put a little money in.

Mr. R. BOYD (Malaya): I represent the youngest child of the co-operative family, and perhaps I ought to be seen and not heard. But the fact that we are the youngest child emboldens me to speak to this motion. For the last twelve months in the Malay States we have been collecting together a library. We cannot go very far constructing those channels which are to carry on our administration, unless we have some books to go on. We have our own problems, which greatly resemble the problems of India, and the books and literature we have so far been able to obtain have come from India. But we have all got the same problem the world over in agriculture. To me the most amazing thing about this Conference so far has been that we have had to come from all corners of the world to get the information, for example, that Mr. Dunning has given us while we have been here. Now we cannot come here every year, and from what I have heard of Mr. Dunning he is not standing still where he is. We want to know what is happening, and what progress is being made in the various Provinces. I can assure you we will very much welcome the formation of this central bureau.

The Hon. C. A. DUNNING: The discussion this afternoon in the main has been typical of co-operative gatherings. Someone has offered to do something for us and we are willing to let them. The need is undoubted

surely. The question may well be asked, Is there something in existence already which can do this work just as well? The International Institute at Rome has been mentioned. Without in any way depreciating the excellent work being done by that institute, may I be permitted to suggest that its work is entirely too varied in character already for it to be able to render to co-operative organisations, or would-be co-operators, the kind of service which such a clearing house as we are discussing could render?

Then Mr. Alexander threw out the suggestion that possibly the International Co-operative Alliance might fill the bill. Well, again it raised that old question as to the diversity of motive at present existing between producers' and consumers' co-operative effort, a diversity of motive which must exist until agricultural producers are well enough organised to meet industrial co-operative consumers on equal terms. There can be no agreement except between equals. We are not content to wag the tail of the industrial co-operative dog. I am one of those who look forward to the day when organised agricultural producers will be able to sit down at a table with the representatives of the organised co-operative consumers and there discuss what is a fair price for what the one needs and the other has to sell. I do not think the International Co-operative Alliance can do this service for us. It is specialised services we need. I wonder what would happen—perhaps Mr. Alexander would tell me—supposing a number of farmers in the province of Prince Edward Island, where the main money crop is potatoes, wrote to the Co-operative Alliance and said: "We are potato growers of Prince Edward Island and we want to organise co-operatively to get a better price for our potatoes." Is it within the realm of reason that an industrial co-operative organisation would be very closely interested in helping to solve that problem, when day by day they are trying to buy from the producers potatoes as cheaply as they can? I ask that practical question.

I think the Horace Plunkett Foundation will do this work admirably; but I agree absolutely with Mr. Smith-Gordon that it will not mean very much if we just say, "Yes, we will give you our blessing in doing this noble work for us, but that is about all we agree to do." For what it is worth I will suggest to the Trustees of the Plunkett Foundation that corresponding memberships might be set up, open to all agricultural co-operative organisations in the Empire, corresponding memberships carrying with them two obligations; first, the payment of a membership fee—I am not going to suggest what the fee might be, it might have to be according to the nature and size of the Society; second, to supply the Foundation with all information respecting the work being done by that particular member-Society, and from time to time to keep that information up to date, so that when anywhere a great need for co-operative organisation for marketing purposes arises, and somebody says, "Where do we go from here?" the answer will be, "Well, we can write to the Plunkett Foundation in London and find out what is being done with respect to the co-operative marketing of this commodity everywhere—we can get that information and look it over, study it carefully, not with the idea of being merely copy-cats, but exercising our own intelligence upon the methods used elsewhere with a view to applying the very best methods

in the solution of the problems arising out of our co-operative organisation." I hope that I may be able, when I go home, to interest a number of our co-operative organisations in Canada in taking such corresponding memberships. I feel sure Canadian co-operators generally will be ready and glad to work hand in hand, and I feel sure also they will be willing to support the movement financially.

(Resolution put and carried unanimously.)



## *Juvenile Organisation.*

MORNING SESSION, THURSDAY, JULY 31st, 1924.

*Chairman* : Mr. DERMOT O'BRIEN.

*Subject* : " Juvenile Rural Organisation."

**THE CHAIRMAN** : In his opening address Sir Daniel Hall touched on the question of the education of children in co-operative ideas, and whether it was a thing that the Ministry of Education could put on their regular syllabus, or whether it was a thing that the Government should touch at all. To me it seems that the whole idea of the co-operative spirit is so important and fundamental in any Christian community that I do not believe one can begin too young in getting some sort of idea of the communal spirit into the young people and organising them into groups. I do not know to what extent it is practicable and I think we shall probably get a great deal of enlightenment on this particular point from Mr. McKinnell, who has done such splendid work in Manitoba, and will now propose a Resolution.

**The Hon. W. C. MCKINNELL (Manitoba)** : I am going to try and give you an account of the Boys' and Girls' Club work, and why we have done it, in our Province. It has not spread over the whole Dominion ; Manitoba happens to have been the first province to take it up, Saskatchewan and Alberta have followed to a certain extent, and British Columbia a little.

The idea of the boys' and girls' club is first of all, co-operation. The boys and girls, though they run their own affairs, have got to depend upon the men and women in the community to help them along, and I can assure you that if they do not get the help of those men and women, big-hearted people, in just a little work, the boys' and girls' club will fail. I have seen all kinds, but I must say that in the West we do get 99 times out of 100 the whole-hearted support of the people living in the community.

The boys' and girls' club is under the inspector of the district. The boys and girls elect their President, Vice-President, Secretary, Treasurer and Directors. (I ought perhaps to remind you that in our schools the boys and girls are not segregated, they sit side by side in the same rooms.) Besides having this election work, they elect some of the men and women in the district to be honorary members of the club. After they have got it going they are assisted by the Government to the extent

that the Government supplies them with what we call a project, and this project defines the different things which these boys and girls can do. This work can be taken up by any boy or girl in the school over ten years of age, and up to one year after leaving school, so it gives any boy or girl who is leaving school a chance to continue. The general idea is to work along the lines laid down by the Department, compete with one another, and have a Fair in the Fall to show off the goods. For example, take hogs. Any boy belonging to a boys' and girls' club can go into any Chartered Bank in the Province of Manitoba and on his own note of hand can borrow money to buy one or two hogs. All he has to do is to sign a paper to say that he will look after that hog according to the directions received from the Department of Agriculture; that is the only thing he must do. I do not know of a single case in which a boy has fallen down. When I tell you that there were 2,035 of these hogs shown at the Fairs last Fall, you can easily imagine quite a lot of hogs are taken up in this manner.

One of the chief advantages in this project—and also in the project of poultry, potatoes, and other things—is that they are improving the breeds in those districts, they are instructing the people with the idea of getting and keeping better stock. At the same time they are learning to be business men. They do their business through a Bank, they have to keep track of every bit of food they put into those pigs, state when they feed them, what they feed them with. It teaches them self-reliance if it teaches them nothing else. We eliminate as far as possible any assistance or help from the parents. It has occasionally crept in, but we try to keep it out and we put the whole thing on the boy or girl.

For calf raising they either purchase the calves or have them given to them; they show other things and get a little prize money together, and invest it in a calf. They show it at the Fair in the Fall, and if it is a champion calf it goes to the big Winter Fair in Manitoba, at which it competes with perhaps 100 or 200 other boys' calves. One boy, young Tate of Warren, showed the champion calf last winter and received for that calf 978 dollars. The prizes are good; they are put up by the big business firms, the packing houses and banks, and the packing house generally buys the prize calf at a very large value. The shorthorn that got the best prize at the Winter Fair last winter weighed 1,130 lbs., which was what we call "pretty good baby" even out in the West. The boys and girls learn also canning, poultry-keeping, gardening, bee-keeping, potato-growing, dyeing—for in the West most people do their own work, and must know how to make and dye their clothes. To learn all these different things is of inestimable value to the children of the Province.

We have at the present time 213 Clubs in Manitoba with 32,500 members, and though we have 2,000 schools and only 213 clubs you must understand that one club may be the centre of several schools. Generally five or six schools enter into one club. When the Fairs are held in the Fall the Government, if the boys and girls have worked under their project, sometimes put up 50 per cent. of the prize money; the other part of the prize money is raised by the school district, the municipality, or by subscriptions from people who are interested. I would like to give just a few particulars of the exhibits that were shown at our Fairs last Fall.

I have already told you of the hogs ; there were 1,040 calves, 220 sheep, 215 colts, 603 poultry, 12,539 vegetables and 1,444 weeds. (The subject of weeds is one of the finest we can teach. Many farmers out in our country do not know anything about weeds, whether they are noxious or harmful or harmless. The boys' and girls' club teaches the members to observe, so that a boy or girl walking along in the ordinary way and routine of life observes a thing and knows what it is. There is hardly a boy or girl in a rural district that cannot tell you the name of every bird as soon as they see it.) In the sewing class at the Fair we had 9,475 exhibits, consisting of nearly all garments. Many and many a woman, a farmer's wife, miles away from a town, perhaps 100 miles from the nearest railway, has to make her own clothes and those of her children and is making a bad job of it. That is one of the things that we are trying to teach our girls—dressmaking. Then we had 4,880 canning exhibits, 54,263 school exhibits, all work done during the school year. Poultry clubs had from 50 to 240 exhibits in the one Fair, and all these fowl were thoroughbred.

The Government supplies judges for these Fairs ; a man to judge the livestock and a woman to judge the domestic manufactures, the baking—cakes and bread and all those sort of things. But one of the best things about these Fairs is that, attached to every exhibit, is a little book in which the exhibitor has to describe in his own handwriting how the work has been done. If it is growing potatoes, they have to describe when they planted them, where they obtained the seed, how many times they had to spray them, when they dug them, the weight they sowed, the weight they received, and the numbers of times they cultivated during the year. Whether it is canning or anything else, that history has to be appended to the article. Accounts, too, have to be kept ; the money all goes through the boys' and girls' officers and the account is sent in to the auditor once a year. The clubs hold public meetings, the country clubs especially, for which there is a nominal charge of 5 or 10 cents to come in, where they have speakers from among themselves to describe some bird or some weed or something that they have done. They hold sports ; they do all the work themselves, and any profit goes into the treasury of the club. You can easily see that there is often a fund in the treasury, and they use this fund usually for procuring registered seed of every description, and registered sittings of eggs and distributing them in the district in which they live. One Club very close to me distributed 130 sittings, all pure bred eggs, last year ; others have purchased potatoes ; some districts run to one thing and some to another.

• There is one other thing I consider is one of the best things in the club movement and that is the demonstration work. In 1918 the Government took up the idea of demonstration. At one of the Fairs that was held in the City of Winnipeg a demonstration was called ; boys and girls who had been taking an active interest in any one project were invited to come in at the expense of some of the big corporations who had put up the money, and demonstrate in public what they could do. In that year only 16 answered the call, and though they demonstrated canning, milking, and a few other things, they did it all without having to explain what they were doing and how they did it. The fallacy of that was seen,

and the next year the Government sent out literature to every school in the province asking the school teachers to start a demonstration team. Lots of the school teachers did not have time ; sometimes they did not have the ability ; but there was always some big-hearted woman or man who took upon themselves the training of these children. Then the Government sent round extension workers who looked over the work that these schools were doing, got the teams into central places, eliminated a certain number of them, and then the best teams were brought into the city. Instead of simply demonstrating, as they did their work they had to tell the people what they were doing, how they did it, and why they did it. Then, as soon as they were finished with the demonstration, the people in the hall were allowed to ask them questions of detail, and they had to stand up and were examined, as you might say, by the audience as to why they were doing this work. Poultry-keeping was one of the subjects ; the boys showed people why one fowl is better than another and why one breed is better than another, how to know why one fowl was incapable of laying as many eggs as another fowl, and all that sort of thing. Curing bacon, preparing bacon right from the sty to the table, bees and honey, dyeing textiles, care of the baby, canning, bread, dressmaking, milk and milk products—these are the chief things ; but there is nothing they cannot take up if they like. No more than three are allowed to form a team and not less than 2 ; the boys and girls enter into this in separate teams to a very large extent.

Last fall 67 champion teams of Manitoba came into the City of Winnipeg and demonstrated. Not only were their expenses paid, but they were entertained and received medals for the work they had done. I have seen a girl 12 years old get up and face 300 men and women at a hall in the Royal Alexander Hotel in Winnipeg. I have seen boys and girls do it time after time. In the rural districts at one season of the year every boy and girl has to demonstrate before all the people in the district and you get all the fathers and mothers there, and other people come because the fathers and mothers come, and everybody sees how youth is progressing. The boy and the girl also have a greater interest in the farm if they are learning how to do the farm work. The boy tells his father how the things should be done, and the father pool-pools the ideas that the boy can teach him, but when the boy is using modern methods to raise a hog, and the hog is doing better than his father's, then the father sits up and takes notice. It is wonderful, since the boys' and girls' club work has come into our Province, how farming has improved. It might have improved anyway, but we consider it is due in a large measure to the influence of the club work.

The boys and girls learn the art of observation, of concentration, of public speaking, and they are trying to become useful members of society. We believe that by giving them an interest in the local community we are stopping the influx into the cities. In conclusion, I will show you that the boys' and girls' club work is doing more. We have a Government in the Province that was elected for economy ; we were all out for economy and in the first session the question of cutting down the grant of some 30,000 dollars to the boys' and girls' club work in the Province was brought up by the Government. Every man on the Government benches and in

the Opposition tried to be on his feet at once to stop it. I do not know of a man in the Legislature who is not behind the boys' and girls' club work ; most of them are rural men, but even the men from the cities had seen the work they were doing, and supported it.

I have now only to submit the following Resolution :—

THAT the attention of agricultural co-operators throughout the Empire be directed to the matter of assisting in the development of Juvenile Agricultural Clubs in rural areas as a means of educating rural children in the principles and practice of agricultural co-operation.

Mr. P. B. TUSTIN (Young Farmers' Clubs, England) : I can heartily endorse all my friend Mr. McKinnell, has just told you, because I had a residence of some 16 years in the province of Manitoba myself. I am not going to repeat what he told you, but I am going to show you that the start of the Young Farmers' Club movement in England, as it is to-day, is due to the inspiration and the work which I saw done in Manitoba.

The first club was started in England in 1921 ; it was not started by a co-operative society, but by the firm with which I was associated who had a factory in Devonshire ; they wanted to get a larger supply and a cleaner supply for that factory, and as I was advising them on the milk problem, I said, "Start a Young Farmers' Club ; that is the best way to do it." When I first went down to the village of Hemyock in Devonshire, I was told by people who thought they knew, "You will never do it in England ; these village children are not like your Canadian and American boys and girls." I saw a gentleman who took a great deal of interest in local affairs, and he said, "Mr. Tustin, I do not want to throw a wet cloth on your proposition, but you have chosen the worst place on God's green earth to start anything of this kind." Well, on arriving at the school there were only 13, a most unlucky number ; I put the proposition forward and got eight who signified their intention of joining a club if it was formed. We left it open to the end of the week ; it was to be no less than 10 and no more than 20 ; at the end of the week we had 22.

These youngsters first formed their own Committee. We impressed upon them from start to finish, it is your club, you have to run it. They elected from among themselves a Chairman, Secretary and Treasurer. They decided on what type of animals they were to go in for ; in this particular instance it was calves, and 22 shorthorn calves were sent for distribution. On the day the calves arrived they were judged on points by the best cattle judge of that breed in the locality, and they were drawn for by the members. They took the calves home and a book was given to them in which to keep their record weight of animals and what feed they receive. They had a small advisory committee, consisting in that case of the Factory Manager, a prominent local farmer and the schoolmaster. They set the price of feed from the local price list, the idea being that no youngster can put a very low price on his feed to show that he has raised his animal very economically. At the end of the year the animals are brought in and judged again by the same judge, if it is possible, on points again. Prizes are awarded for the greatest number of points over

the original score—not necessarily for the best animal of the lot. Prizes are also given for the best kept records.

There were 13 people at the first meeting. The second time I went down to the Club, they said a lot more people were wanting to join. I told them they had got their club membership, and suggested that they should open open an associate membership, ballot on everybody who applies for membership, and charge them 2s. 6d. or 5s. for the privilege of belonging to the Club. That tickled these youngsters immensely; they immediately started to ballot on their uncles and aunts, and mothers and fathers, and anybody they could rope in and touch for their 2s. 6d. The next time I went down there they had 150 associate members in the Club. I went to give a lecture on Canadian methods and was surprised to find I had an audience of over 400 farmers; they came in char-a-bancs from all over the country.

That was the beginning. Every year for the last three years we have had an international competition for judging dairy calves in this country to compete for a gold cup given by the "Daily Mail." The American team that comes over is the pick of about 140,000 boys; they have a county competition in every county in the Union, they then have a State Competition in every State, and finally they have an inter-State competition at the National Dairy show, and the winners are sent over here to visit our Royal Agricultural Show. The "Daily Mail" put up a gold cup to see if we could make a good showing. We have only about 40 or 50 clubs running and only about 12 or 13 calf clubs; out of these we had to pick somebody to go against the pick of 140,000 boys and girls. Well, every year the British Dairy Farmers' Association here at our Dairy Show have put up medals for competition for stock-judging of dairy cows between our Clubs, and we took three that gained the highest points to go up against the American team—this year, curiously enough, three girls—four girls came out on the top at the Dairy Show. Out of a possible 2,000 points our girls were only 98 points behind, and one of our girls took third place.

Last year Sir Robert Sanders, the Minister of Agriculture, came down to Hemryock where we had a Show and distributed the Club prizes. The boy in the Chair was 12 years old, freckled face, red hair and his ears out at right angles; but he was a bright boy, and he introduced the Minister of Agriculture with a most charming speech. We had a little girl from Loughborough in Leicestershire who belongs to our Calf Club, 13 years old, who had won a place in the team that was going to Canada through the kindness of Sir Henry Thornton of the Canadian National Railways and Mr. Beattie of the Canadian Pacific, and I said to this girl, "Now look here Joan, the Minister of Agriculture is coming here to-day and I want you to say something." She said, "All right, Mr. Tustin, what shall I say?" I said, "Well, I leave that entirely to you, but do not drag it out longer than about five minutes." When the Chairman called on her to speak she said: "Ladies and Gentlemen. I am very glad indeed that I joined the Calf Club, because, although I am a farmer's daughter, before I joined the Club I never realised how many interesting things there were to be learned on a farm. I am very proud of the fact that I have won my Club prize. I am very proud of the fact also that I

have won this wonderful trip to Canada. And there is something else I am proud of, and that is that I beat my own father in open competition at the Loughborough Show this year. Now, people tell us agriculture does not pay. Well, all I have got to say about it is this. It is up to us young farmers to learn all that we possibly can about better farming, so that when we take the reins into our hands, we shall not make a mess of it." And then she sat down.

We had three girls in a Club in Kingsclere whose father died, and these three girls and their mother were left; they had two small farms, and it was at a time when everything connected with land and farming was bad. The mother wanted to sell the farms. The girls said, "No, Mother, do not sell them; we will see what we can do with them." I have been told by the Secretary of the Club there that these girls run this farm better than their father had done; they are doing the supervising work and they are applying modern scientific methods.

Here is another instance from a Club we started in Sussex. Three boys who had a horrible reputation round that part of the country wanted to join the Club. The lady who was promoting the Club was doubtful about it. I said, "Well, you know a boy has got to do something in a place like this just to exercise his vitality; give them a chance, they cannot harm the Club, and if they do not behave themselves they can be turned out." These three boys took prizes in that Club; they are the best liked boys in the Club and are always willing to help and advise the others.

I had another case. A little boy of 6 years old cried the day the calves were distributed at one Club and said he did so want to join. His grandfather came to the head of the firm that was promoting the Club, and said, "Can't you do anything to get my grandchild in that Club; it will break his heart if he cannot get in." So I said, "Well, if the members of the Club ballot him in, I have nothing more to say; he can become a member." He became a member, and for three years he has won the first prize. He goes out in the morning with a chair with the back broken off, he is a little chap, stands on the chair; and grooms the calf himself. It is wonderful what that boy has done.

The Government has always given us, as far as lay in their power, the fullest possible support. They could not get money from the Treasury, but now they have under consideration the question of taking over and sponsoring the whole movement, which is as it should be; it should be associated with the Government and brought more closely into relationship with the schools and agricultural education throughout the country. If that is done this movement will advance by leaps and bounds in this country. Mr. McKinnell told you that they had only 400 members in Manitoba in 1913; the last report I had the pleasure of reading said they had over 32,000 members. That is in a province with a population of something less than two millions, so you can estimate the possibilities in this country with its large population. It gives me very great pleasure to second this Resolution because it is my firm opinion that there is no movement that will confer so much benefit on the people living on the farms.

Miss E. A. PRATT (Ministry of Agriculture, England): I think it is public property that we had a conference at the Ministry a little while ago on this subject. We got together a number of organisations interested in this movement and we asked them to consider the future of the movement in this country. There was a very general feeling that it ought to be taken over and supervised by the Ministry. Well, the Ministry is considering the matter at present, and I think favourably; but we have not as yet any certain information, and as an official it is rather difficult for me to say anything more about it. The "Daily Mail," under whose auspices the movement has hitherto been in England, has been very generous; so have the Breed Societies. I think Mr Tustin will agree that the Clubs are generally self-supporting. The Club is generally formed nowadays where some local patron advances money for the purpose of stock which is subsequently repaid when the sale of the animal comes about, but of course Breed Societies and the "Daily Mail" have made handsome donations.

As in this country we draw a lot of inspiration from the past, so inevitably the newer countries have a more forward outlook and perhaps a more hopeful attitude which renders them, I think, specially sympathetic to the needs and requirements of the young. I think this movement is particularly interesting because it has come to us from the newer lands. The movement began in the United States, "under the auspices of the College of Agriculture of Cornell University, as a development from nature-study lessons." By 1910 the Cornell Farm Boys' and Girls' Clubs had an aggregate membership of about 75,000, and the Cornell Rural School Leaflet, through which the movement was largely directed, was distributed to about 7,000 teachers and school commissioners. Similar progress was made in other States, and in 1912 the Federal Department of Agriculture supplemented State aid by a grant of 4,600 dollars. Federal financial support has not only been maintained, but steadily increased, and reached, in round figures, 105,000 dollars in the year 1920-21. The necessity for increased food production stimulated this movement during the War, and at the present time the development of Boys' and Girls' Agricultural Clubs forms an important part of what is known as "Co-operative Extension Work in Agriculture and Home Economics" in the United States. The U.S. Department of Agriculture and the 33 State Colleges of Agriculture co-operate in this work, which is carried on through a very complete county organisation.

This form of practical agricultural education for young people is therefore part of a larger whole, and boys and girls appear to be participating increasingly with adults in carrying out common programmes of work. I would like to direct your attention specially to that for a moment. In 1920, 5,043 standard clubs existed in the U.S.A. and over 3,000 "Community programmes" (embodying special farm and home interests of men and women, boys and girls in a given locality) were developed. Without necessarily suggesting the movement here will follow on similar lines, it is interesting to note the progress made, particularly this development of the co-operative spirit in the matter of the community programme in which all help in the community—men, women, boys and girls.



The thing that strikes one from the co-operative side is this: the very way in which the clubs are established has an interest for co-operators. The patron is secured, the Advisory Committee is set up, and, in any given locality where your club is formed you have individuals interested and prepared to help. Your patron is generally a prominent agriculturist in the neighbourhood; your Advisory Committee, farmers and parents. There you are getting a certain amount of co-operation between the different generations in agriculture.

Secondly, I would like to say I have been struck by the keenness of the people on the Advisory Committee, as well as by the keenness of the Club members; I visited a Club a short time ago and the Advisory Committee and all the members were organising entertainments to raise funds for the extension of the Club's activities. The Club wins prizes and enlists the services of the agricultural organiser and the members of the staff and the members of the staff of the nearest agricultural college, so you have a kind of extended co-operation as soon as the Club is formed.

Thirdly, you get a very valuable training in community spirit at these weekly and fortnightly meetings which are held by the Club members. I have been present at several of these meetings, particularly at the Club mentioned by Mr. Tustin, the first one that was started, the one at Hemyock. It is really very impressive to see the way these young people manage the business side of the meeting, but I think it is perhaps even more impressive to study the way in which they are prepared to pool their knowledge. They pass on information about feeding and rationing, about the care of the stock.

The fourth point is that the clubs are very valuable as a means of indirectly promoting agricultural co-operation as between men and women, since the membership of the Club is open to girls on exactly the same terms as to boys. The general public do not always appreciate the very big stake that women have in agriculture. I was looking up the figures the other day and I found that in 1923 there were more than 59,000 women returned as permanent workers in agriculture, that was over and above the 43,000 women who were returned as casual workers.

Lastly there is a point, which Mr. Tustin has already raised, that of international co-operation. That trip to Canada which has already been mentioned was a very wonderful experience for the four girls and the four boys who went from our own Young Farmers' Clubs. In an effort like this there is a lot of give and take and a lot of knowledge passed on, and in agriculture as in other things I suppose we want better international understanding, so that seems another direction in which the Clubs can be useful.

[At this point the speaker read a letter from a boy who is the secretary of a Young Farmers' Club which had just been formed at an agricultural college, in order to illustrate the lines on which these clubs are being run].

I should just like to say in conclusion that there are many other valuable aspects of these clubs. For instance, they afford a good training in business methods. They constitute an admirable form of general agricultural education, for they evoke an intelligent interest in every phase of rural life. Wherever a Club has been founded there has been an increased demand for agricultural education. People who join want to

go to farm institutes and colleges and want to know more and more about agricultural education. These clubs, too, form a most admirable training in social co-operation. One of the disadvantages of country life is that feeling of isolation for young people, and these meetings of the Club do form quite a social event in this young village life. To many of the meetings I have attended members have walked four or five miles. They form an interesting feature of village life, from the social as well as the agricultural point of view.

Mr. GILBERT WHITE (United Dairies' Calf Club) : Last year I was Chairman of the Kingsclere Pig Club, and also a member of a Calf Club, but as I am now over 18 I am unfortunately too old to continue in that Club. The idea of the Clubs is to increase agricultural education and confer social benefits on the district, and in the locality of Kingsclere the Club has accomplished this. It has also helped to improve the livestock there by introducing a better breed of farm animal. Our Club at Kingsclere was promoted by the United Dairies about three years ago, and Mr. Tustin was the organiser. Since that time the movement has increased so much that there are 40 of these clubs in England to-day. Personally it has been of advantage to me, as it has given me very much better views of dairy farming in this country, and I have learned lots of things about calf-rearing and pig-keeping which I should otherwise never have known. Through these clubs I was given an opportunity of going for the six months' trip to Canada.

Our Club at Kingsclere is in a very good position financially as we have several means of getting money, such as giving concerts and entertainments. We get money also by allowing associate members to join; these members attend the Club meetings and lectures. I am sure you will agree with me when I say that this Club movement should never be allowed to drop.

Mr. NORMAN (Irish A.O.S.) : I have much pleasure in supporting the resolution which is before the Conference. I do so not only because of the excellent reasons which we have heard given by Mr. McKinnell, Mr. Tustin and Mr. Gilbert White, but because of a reason which is perhaps entirely different in its outlook from those which we have heard. If it is important for us as co-operators to keep close to the club movement, it is, from our point of view, equally important that the club movement should keep close to us. I would say that wherever there is an effective co-operative society run in the right spirit by the right people with the right objectives, that co-operative society should be in the closest possible touch with the local club. I should like to see the co-operative societies develop the clubs. I should like to see the club movement—I do not say captured—but I do say infected, with the principles and the spirit of the co-operative movement everywhere.

Let us go back to what it is that we are all trying to do. The object as I understand it, of agricultural co-operation is not merely the production of better produce and the marketing of that through a more efficient system, but it is to build up a better rural civilisation over those parts of the world which are represented in this Conference. I feel where co-operation breaks down, and when it breaks down, it breaks down for a psychological reason. We have had a great deal of talk at this Conference

about loyalty. All loyalty I suppose is contingent ; but where you have the right spirit and the enlightenment which comes out of the study of the subject, the loyalty which is evoked is less contingent than the kind of loyalty which looks only to make profits. It is not always easy to teach this to the middle-aged or even to youth, but it is comparatively easy if you get them in time to teach it to children and the young people.

As I look at the future of the co-operative movement, I set no limits at all to what may be done either in the urban movement or the rural movement. I feel that we ought to regard ourselves as out for the salvage of civilisation. Everyone knows what is behind war, what is behind revolution, what is behind the clash between nations ; it is nearly always an economic drive—it may be obscured, but it is there. Two methods are before humanity for continuing the protection of civilisation ; individualism is one of them, and I think every co-operator agrees with me that individualism is played out. Socialism is another method, and Socialism has not been played in, and so far as the farmer is concerned, I do not think it is ever going to be played in. In co-operation, which some people regard as a half-way house to Socialism, it seems to me that we have got to hold the best of both methods, both individualism and Socialism. We are trying to make a synthesis of them.

Now although this is perhaps very abstract reasoning and would be better, you would say, addressed to middle-aged or University audiences, than to people in village clubs, I hold that translated into the terms of young minds and put before young minds, that ideal can and will develop, if you develop side by side with it the business instinct for better farming. If you add to that the idea of better living, which we are indirectly considering this morning, I do think that you stand some chance of making the world co-operative, and therefore making it for the first time civilised.

Dr. G. H. MILLS : (National Institute of Psychology) : The discussion this morning has been most interesting to me, especially from a psychological point of view. If you have followed the speeches that have been given you will find that psychology has been used the whole way through. In dealing with the formation of these clubs, in fact right through agriculture, and co-operative agriculture in particular, the understanding of the human factor is at the base of success in the work.

One point or two I would specially like to mention. In the formation of these clubs an appeal is made to a certain type of temperament and disposition, and it is evidently responded to very thoroughly and with very great success. I would like to ask if measures are being taken to interest other types which must be present amongst the rural boy and girl population. I would like to refer to the work which has been done along psychological lines by Dr. Cyril Burt. He has made a psychological survey of the mentality and the disposition of school children in the London area, and in that survey many interesting facts have come out. We have practically in the London area what we could call a sample population, with every type of interest and ability amongst those children. I think it would be found that if some of the facilities which these village

children have had could be also given to some of these London children ; they would be only too glad to welcome the opportunity of getting away from the town surroundings into much more congenial surroundings. Perhaps on the other hand, there are some of the country children who would find greater scope in the towns. In order to determine whether some distribution or reconstruction of that kind could be obtained, or whether the work of these clubs could be still further extended, Dr. Burt has suggested that an enquiry should be made in the County Schools of a similar character to that which is being carried out in the London schools, and on the basis of that a scheme advanced by which it would be possible to give vocational advice to those children who are leaving school and taking up their life's work. I think that everyone will agree that some of the greatest hardships and miseries in this world are caused by people taking up occupations for which they are not particularly fitted. If the clubs and rural organisations could assist in this better placement of children, I feel sure that a very great advantage would accrue to those who were advised in this way.

I may say that this method is rather beyond the stage of theory. It has been applied in industry, and the Institute which I represent has carried out some very interesting work in this connection. Already it is now possible to state definitely whether a boy has sufficient mechanical ability and interests to give a fair chance of his becoming a success as an engineer, or whether, for instance, a girl is fitted and suited temperamentally and mentally and physically for taking up work such as dress-making or clerical work. If that kind of advice could be extended—and we hope to extend it very much in future years—to include the interests of the rural children, I feel sure that a very great step towards the improvement of rural conditions will have been made.

MR. NUGENT HARRIS : The question this morning is one of the most important the Conference has discussed. The future of the nation will depend on how the genius of the juvenile is directed. My work for the last 20 years has taken me up and down this country of ours, and my post-War experiences of rural England are startling to a degree. I find that the post-War juvenile is an entirely different proposition from the pre-War juvenile. Almost everywhere I go I find the thing that is really worrying the people in authority is how to tackle the juvenile problem. This is not a Government question, this is not in particular an organisation question. This is a question for the home. You go to a little country like Denmark where you have the co-operative spirit interwoven into their rural life. Where is that co-operative spirit established ? In the homes of the people. How ? Through one of the most remarkable systems in rural education in the world, starting in the elementary school ? Yes, but first the children are taught the principles of co-operation in their homes. Three weeks ago I was in Denmark, and one of the questions I always asked the mothers was, "How are the children being looked after in the Danish homes ?" I saw one particularly keen-looking boy, I asked what school he went to, and I was told. "How many days does he attend school ?" "Three days in each week." I said "Why only three days ?" and was told "Oh, we mothers like to

have our children in the homes ; if they are going every day to the school then we lose contact with them, and we want the children to be part and parcel of the home life, and brought up in the spirit of co-operation at home." That is the secret training ground of the co-operative spirit, and these children grow up keen co-operators.

Now, how to tackle this problem ? I see the leaders of that great movement, the Women's Institutes, here this morning ; I would ask them to realise their responsibility towards this problem. We must work out a scheme for the reconstruction of our rural life on club lines, and in any scheme an interlocking system is absolutely vital. Otherwise, what happens ? At 14 years of age the children leave the elementary school, it is two years before they can join the adult club in the villages, and during the two most vital years of their lives they are getting wrong impressions, and all the impressions they got in the elementary schools going to the four winds. There must be some sort of linking up so as to have complete continuance in our scheme of rural regeneration and reconstruction.

MISS PRATT : With regard to the gap in the case of the country boy, between the age of 14 and 16, there is really no institution that meets his case, and it is a very serious point. I think it is generally known that the Board of Education is trying now in certain country schools to give what they call a rural bias to education ; there is a certain amount of school gardening done and a certain amount of care of live stock. Then the boy or girl leaves school at the age of 14, they break off that little bit of education which had just been begun, and the farm institutes and other institutions are not open to them until they reach the age of 16. One reason for the feeling that this Young Farmers' movement should be extended is because among other things it does to a certain extent meet the case of the country boy or girl between the age of 14 and 16.

(Resolution put and carried unanimously.)

## *Better Living.*

AFTERNOON SESSION, THURSDAY, JULY 31ST, 1924.

*Chairman* : Dame MERIEL TALBOT, D.B.E.

*Subject* : " Rural Community Organisation for Better Living."

Dame MERIEL TALBOT, D.B.E. : I felt greatly honoured when I was invited to come and take the Chair to-day in connection with this very important Conference. The chief reason I imagine for my presence here is that we are increasingly realising the important part which women play in the rural life of every country of the world. We know how our own big movement, the Women's Institutes, came in the first instance from the Dominion of Canada. In that country to-day there is an ever-increasing and extended rural organisation of women both in connection with the Women's Institutes of Canada and with the organised women farmers. The development also in Australia is beginning in an interesting manner ; they have started what they call the Country Women's Association in the States of both Queensland and New South Wales. These countries recognise as fully as our own Government does, the great importance of women in agricultural development and co-operation.

We all welcome the signs, which this Conference demonstrates pre-eminently, that our urban-bound eyes are opened, and that we no longer as a nation are simply thinking of the interests of the town-dwellers. We are realising what it is for our nation to have a people who are content with the production of food in the countryside, and in all this work we are convinced that we want the co-operation of men and women together so as to secure real true agricultural co-operation as a whole.

Miss GRACE HADOW (Oxfordshire Rural Community Committee) : To a village woman who has been sitting through this Conference, listening with very great attention and very great interest, one or two questions arise. Is it any use getting the best possible system of credit, the best possible scheme for co-operative marketing, if you do not produce anything, and can you produce unless you have got labour ? I do not know how it is in other countries, but in England before the War one of the very serious problems before us was the fact that the best of the young men and the young women emigrated from the country to the towns—and I do not think you can wonder at it, when you consider the conditions of life in a country village before the War. Our boys left school in my own part of the world—many of them became half-timers at 11—they left

school at 14. What sort of provision was there for any kind of intellectual stimulus ? An occasional village concert, and such opportunities as the local public house afforded ; that was all. What was the life of women ? Think of the monotony of existence in a lonely cottage or farm. The men go out—they have their work which brings them in contact with others. The woman has her work, a certain amount of variety, but it does not vary as much as one could wish. And the younger women went—and where the younger women go the younger men occasionally show a tendency to follow.

During the War the women left behind were faced with two questions in particular. Their patriotic feeling was aroused as that of the men had been ; they wanted their opportunity of serving their country. They had to look after their families and their houses in conditions of very great difficulty. How were they to serve their country and carry on their daily life ? One of the things we suffered from in our village life was the way in which it was split up into little competitive parties ; Church could not speak to Chapel, Chapel could not speak to Church, Red did not know Blue, Blue did not know Yellow. You could not deal with the grocer whose religion or political convictions differed from your own. These difficulties of war-time brought us together because of a common need among women of all Parties and sections. Just at that time there came to us, as so many good things have come, from Canada, the inspiration of Women's Institutes.

The Women's Institute admits every woman in the village on equal terms, simply because she is a village woman. We all pay the same subscription. We all have one vote. We manage our own money affairs we decide what our contribution is going to be towards the larger movement outside our own village—for our institutes are bound together not only in the village but in the county. Every county in England almost, and every one in Wales, has its federated group of Women's Institutes, and the Counties are bound together in a great national federation.

We began in the first place by discussing with each other perfectly simple things, such as how to get the necessary food, how to make our cakes without flour or sugar or currants, how to make stocking tops into vests for children and so on. In doing that we learned for the first time how to pool such knowledge as we had and such knowledge as other people could give us. We acquired the habit of talking things over together, working together, of seeing what common interests we had, and how far it was possible to combine for them. We started about ten years ago, and we have at the present moment over 3,000 branches in England and Wales. We are growing at the rate of about an institute a day.

Anyone who knows English country life knows that you cannot drive English country women into an association of this kind unless they really think it is going to be of some use to them. They are finding out its usefulness. We are only at the beginning of understanding the uses to which we can put it. We began, as I say, with simple matters of household economy ; before we knew where we were, we found ourselves compelled to take an interest in questions of Parish government, local

government, government generally. The women met together to talk over these matters of the education of their children, matters of public health, and so on, and they are beginning to find, that they have got power, they are beginning to find, as the farmers have found in other countries, that by co-operation they can improve their business, they can market their goods in a way they could not otherwise do. We 200,000 women, banded together in institutes, are beginning to realise that all these great national questions, education, food supply and all the rest of it, are questions that concern us intimately. They are not things you can just leave to the men and trust to luck, but things that you have to take an interest in yourself.

The village has surely this great advantage over the town, that by its very size it is possible to organise it in a way the town cannot organise. You cannot get together all the people in a great city parish, or in a town, to discuss matters which affect them all; you might get samples of all types, if you are lucky, and you can get them to talk things over and pass resolutions, and the rest of the town and the rest of the parish will not know that you have done it. But you can, in a small village, get practically the whole of the population together, and in a larger village you can get a very considerable proportion, and you can be quite certain that before the day is over, or before the night is over, every other person in the village will know what resolution you passed, who spoke, what she said, and why she said it; it has its disadvantages, that publicity of country life, but it has its advantages too.

We are not going to get country men and women to stay in the country to work on the farms by anything short of community spirit. I do not imagine the most optimistic of us thinks that the agricultural industry will be able to do it by offering as high wages as those paid to town dwellers. You are not going to do it by spreading jam upon nothing; that attempt has been tried in the past by building a village club, or a village hall, or a village institute, and thinking that would meet the needs of the whole countryside. I have seen efforts of that kind and they have failed, failed very often because some well-intentioned person thought he or she knew what was good for the community and proceeded to give it to them regardless of the wishes of the people. I speak with some bitterness, because I live in a county where a village institute has been presented by a generous land-owner on condition that no woman ever is admitted—and of course the women see to it that very few men enter it either. I know of another where women are not admitted after half past five, and no men after 9 in the evening, as the donor thought it was not suitable for villagers to be out after those hours. We all know of many attempts of that kind which have failed. What the Women's Institutes are teaching the women, is that you can get what you want if you want it enough, you can get what you want if you are prepared to take the trouble to get it; and that you cannot get anything without paying for it.

I have the greatest respect for the wisdom of the English country woman; but in the past she was inarticulate, she did not realise how she could get what she wanted; she did not know that these things which pressed so hardly on her could be lightened; her one idea was to escape



herself, and to help her children to escape. Now she is beginning to find country life interesting, because she finds she has the power of making herself felt, and the opportunity of expressing herself, which I think very few townspeople have.

Then a second thing which is making a great difference to country life is the increased facilities for adult education generally. In my county we had last winter I think it was 18 courses of lectures, regularly attended largely by agricultural labourers and their wives. We had a very large number of demonstration classes in practical matters, and we saw the beginning of a new development which seems to be coming. We are beginning in a small way with wireless, and I was very much interested in hearing how it is being used in Australia. Last winter I was going round the country villages with a wireless set, with a demonstrator to give demonstrations, and two things struck me about it; the first was the way in which you could interest all the big boys in the scientific side of it, and the second was the type of subject in which the village people were interested. I asked one of our operators who goes round with a wireless set what he thought the village people were most interested in, and without hesitation he said, the prices of vegetables at Covent Garden. Last week I was listening to a report from a Women's Institute in Yorkshire, and the things that most interested them were the lectures broadcast from one of the agricultural colleges in the North on Poultry Keeping. Now in wireless we country people have got something where we can beat you in the towns; we have not so many electric power stations and other things to interfere with reception, we can get absolutely first-rate information, first-rate speakers and good music without the expenses and inconveniences of city life. I believe it is going to have a very great effect on country life. I know men and women in very lonely districts who say it has made an entirely different thing of their lives to feel they have direct contact with the outside world, and we all know that certain very interesting experiments are now in contemplation which may carry the thing much further.

Then the next thing that seems to me of interest in this movement of ours is that when once you have got this spirit of working together, of bringing in people to work on their common interests, you begin to find that you can use that power in so many different connections. We are finding ourselves, in spite of ourselves, obliged to learn something of co-operative buying and selling. I know villages where the women are banded together to buy fish co-operatively, where they buy their coal co-operatively. One of the Women's Institutes has a shop; some have market stalls, where our members bring goods they make and sell them co-operatively. It is all on a very small scale; and personally I hope it will remain so—I do not want us turned into a great trading concern—that seems to me the business of other organisations.

The next thing that is happening is that in certain villages the men are saying "Why have we not got something of this sort, too?" I am afraid I have known them go so far as to say in rather captious tones, "Why should the women have all the good things?" The best side of this movement is that the women and men are learning to work together on these lines. We have been told more than once at these meetings during

the last few days if you want to have successful co-operation you must not do it from the top. We are actually getting practical things in a way we did not get them before, and the extraordinary thing is that the farmers, the class of all others in the country who should welcome this movement, are either indifferent or suspicious, with one or two magnificent exceptions. We often get opposition, too. For instance, the Women's Institutes in a certain county were very anxious to get the Public Libraries Act adopted. The County Council had rejected the resolution for the adoption of the Act more than once. Then every Women's Institute in the county received the request, "Give your County Council no peace till this thing is through." The men had to receive deputations and letters were poured in on them. One man, who had voted against the adoption of the Act twice before, arrived in a motor car at eight o'clock in the morning at the Secretary's house, and said, "For God's sake tell me what the Public Libraries Act is!"

We are not learning to work for things only for ourselves, but to work with men where something is needed for the whole community. I have sometimes wondered during these last few days whether we of the rank and file have unconsciously been preparing the way for the great movement which you who are farmers are interested in from the farmers' point of view and are wishing to push. If you want the help of the ordinary working men and women in the village, if you want the co-operative movement to include us too, then I think you should sympathise with these movements which are intended to help the villager to make his village what he wants it to be. Mr. Dunning said, "God help the Canadian Government that was not favourable to the spirit of co-operation!" Gentlemen, I rather hope God will not help the County Council which is unfavourable to the spirit of co-operation. It is that spirit which is giving life to our whole movement, it is that spirit which I believe is spreading not only among the women, but among the men. I do not believe any of us know how far it is going or where it is going to lead us. I am perfectly certain that it is going, rightly directed, to lead to a peaceful revolution in village life, to an improvement in the material things, in health and education and housing, and—more than that—to the development of intellect and of all that one means by humanity. I believe we have got a wonderful opportunity here, and I believe we women can play not an inconsiderable part in it if we understand it rightly, and if you will allow us to take our share of it. I have therefore much pleasure in proposing two resolutions:

1. THAT agricultural co-operators throughout the Empire be reminded of the necessity for interesting in their movement the rural organisations of women.
2. THAT all rural organisations of women be urged to interest themselves in the application of co-operative methods to agriculture, not only for economic reasons, but because experience has shown the system to be the best means of promoting social advancement in the rural community.

Mrs. MASSIAH (Montreal): I have very much pleasure in seconding the Resolution. It was in 1887, quite a long time ago, that I had my first

practical experience in co-operation, in a country place in Canada 14 miles from any railway. There I saw 20 farmers co-operating to cut the hay and from that day to this I have always been favour of co-operation. All along the line I have tried since to further it in our own locality in the province of Quebec. We decided amongst our women that it would not do for us to stand alone, but that we must co-operate with the men; so the bulk of us have joined the Farmers' Club. The Farmers' Club and the Women's Institute can co-operate, too, as we did, in getting a rural telephone service, in buying feed, and so forth. We all belong to the agricultural societies and we co-operate with the men. Remember you cannot get a contented farmer in the West unless you have a contented farmer's wife, and the more contented the farmers' wives are, the better it is for the country. Home-making is the thing we all ought to aim at, whether we have a log cabin or a big mansion. I have much pleasure in seconding the Resolution.

MR. JOHN ORR: I am very glad to support any resolution in these terms, because I regard the interest of women in this question as of supreme importance. The influence that women exercise on farming in this country has never had full credit given to it, although in many parts of the country it is recognised in dairy farming that the important person on the farm is the farmer's wife. I would not wish to criticise the agricultural co-operative movement, but in the course of the discussion during the last two days it has become quite obvious that there is a field just outside the field that you have been discussing; that your movement stops short at a certain point, and that you must recognise that wider movements are necessary to complement what you are doing. I think the organisers of this Conference have been exceedingly well advised to give up this last day to a discussion of the part women and children play in this movement for agricultural co-operation.

There is also that wider co-operation to which reference has been made the education not only of young farmers, but of young labourers. I do not suggest that the Conference has purposely excluded consideration of that question, because it has been touched upon; but when you are working with this comparatively narrow objective of organising yourself as an agricultural industry, one of the most important things is to remember that we have in this country an unconscious partnership which has been to a large extent responsible for the magnificent achievements of British agriculture. I would only suggest to people who are enthusiastically in favour of co-operation that this unconscious co-operation that has gone on for centuries is in one sense responsible for the comparatively slow progress that you have made in great Britain.

I do not think there is another country in the world where you have this system of comparatively large farms managed by farmers and the work performed by agricultural labourers. That fact creates a difference. You have a three-fold partnership in this country in agriculture. You have the landlord who provides a great deal of the capital, you have the farmer who provides the other capital, and you have the labourer who performs the work. The fact that the landowners in this country, to a greater extent than in any other country, have put up roughly about two-

thirds of the agricultural capital required, gives co-operators a less favourable field for their work.

The women of this country can give the farmers much help in the effort to balance the attractions of the cities and towns by the attractions we provide in the country. Take the question of education. The education, national and local throughout this country, spend millions of pounds in technical education for workers in urban districts, in textiles, engineering, building. Our agricultural colleges and our farm institutes are not in a position to compete with them. Take the small farmers: very few of these farmers' sons go to agricultural colleges. Take the labourers as a class, there is no such thing as an agricultural school for labourers before they go into work. One of the great problems of the future is to redress the balance in that respect—to give these lads who are going into agriculture the opportunity of making themselves as efficient for the purpose of agricultural operations as your young engineers or textile workers are for their trades. In that work the Womens Institutes can play an important part. Those young boys who join the Farmers' Clubs are keen to try their hands at practical work. It is training, and very useful training, for making these boys more receptive of the technical instruction now available in agricultural colleges. The real problem is to get hold of these boys and induce them to go back boldly to this form of education, and in that the women's institutes can play a magnificent part.

I think the organisers of this Conference have been very wise in opening the Conference to the women, and I am quite certain from my experience of the Women's Institutes that they will respond to this trust, and will co-operate with you in carrying on this activity which you want to secure—for better farming, better business and, above all, better living.

Mrs. NUGENT HARRIS : We of the Women's Institute Movement who have listened to Miss Hadow, endorse every word she said. We are proud of belonging to the only association of country women, and we are proud of such an army of women, and I would like to emphasize that every kind of woman belongs to that army; not only labourers' wives but the richest woman in the village can belong to the Women's Institute just as the poorest can. In the Institute work all are equal. We are learning that true equality means giving of our very best to the Institute. We began doing small things, and we go on doing bigger things, because we have learned to do them well and to know what we can do by united effort. That is where the cooperative spirit comes in. We are beginning to know that the work that lies before the Women's Institutes is not only for ourselves; we are working for the whole community, and we are beginning to see that if women work together with the men in the village we can do whatever we make up our minds to do.

Commander SPRING-RICE : I am a retired Naval Officer and have been all my life at sea, but I am an Irishman and a keen co-operator. I have always thought it a pity co-operation did not take in the labourer. I should like to see co-operation take in everybody connected with the work.

Mr. HART-SYNNOT : In this country we have to recognise the fact that agricultural wages are for some time to come going to be very low, and therefore it is very important that whatever wage the labourer gets, he should be able to get the best possible value for his money. This is where the women come in. They are the chancellors of the exchequer. The big industrial consumers' movement has mainly been, although a wonderful movement, for giving urban working men cheap and good domestic requirements. Now that movement is gradually, by means of motor vans, getting out into country districts ; but it has not yet got quite forward enough. May I suggest to the ladies whose help we are seeking for the co-operative movement, that this is one very definite bit of business which they could help in ; they could try and organise their village women to buy their requirements not here and there from odds and ends of shops, but to arrange for the extension of this co-operative service from the neighbouring towns. I am certain if the Institutes would take up that, they would receive every possible help from the urban co-operators.

The other way in which the Women's Institutes can help the co-operative movement is in connection with two types of produce, poultry and dairy produce. I remember in some of my earlier days of co-operation, one of our difficulties in trying to get any development of co-operative marketing was that the women had charge of this, and they looked upon eggs as a little private perquisite of themselves ; they were not going to let it get into the hands of others and join any society. Well, now we are getting eggs sent over by shiploads from America and even from China ; day when profitable egg-selling could be done by individuals is past, and I think if the women, who are nearly everywhere specially concerned with poultry, will take up this one bit of co-operative business, and try and organise co-operative egg selling in their districts, the Women's Institutes will help their village women, and at the same time help the agricultural co-operative movement. As regards dairy produce, the same difficulty has arisen. If the Women's Institutes will consider those two things, they can render a very definite contribution to the agricultural movement.

Capt. ELLIS : Anything I can say this afternoon must only be very short and has hardly any direct bearing on the Resolution before the Conference ; but it seems to me that all the leaders have made it very clear in what they have said at the Conference that co-operation is not merely a method of farming, but a principle of life. Therefore I would like to suggest to the co-operators here that it is rather specially laid on them that they should take a leading part in promoting co-operation in everything that goes to make better social conditions and better social life in the country. There are in this country a good many movements not specially concerned with agricultural affairs, educational and social movements, and we are just beginning to learn that there is a technique in developing co-operation between these movements, in the splitting up this community life, a technique which is perhaps just as important as the technique which is involved in agricultural co-operation. I should like to suggest that agricultural co-operators should establish their point of contact and

interest in all these other questions, and so help to build up the general co-operative community spirit.

(Resolution put and carried unanimously.)

Mr. CROSTHWAITE : I would like, on behalf of India and the Dominions, to move a very hearty vote of thanks to the Horace Plunkett Foundation, and especially to Sir Horace Plunkett for his great kindness in asking us to attend this Conference; and I may assure him that we all take away with us not merely the pleasantest memories, but a great deal of benefit, and that we will do our best to spread that benefit amongst the people of India, or of whatever country to which we return.

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